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BY QUENTIN COWDRY
AND STEWART TENDLER

Background, analysis, page 3
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FROM BRUCE CLARK IN MOSCOW AND RICHARD FORD IN LONDON

The report emerged as the European Community agreed substantial emergency humanitarian assistance for the

Mr Major said the proposal would be put to EC foreign ministers on Monday. He would then approach America, Japan and Canada to ask them for a contribution to ensure that the Soviet people had ample food for the winter. That is expected to take the total package to about £3 billion, but Mr Major made clear that Moscow would have to give precise details of what was required before the aid

The extent of the difficulties he faces became even more apparent yesterday when the liberal newspaper *Nezavisimaya Gazeta* published chunks of a KGB report intended for a parliamentary committee on reforming the state security system. The document said that central control over the army was weakening and that the social conditions were being created where fascism could easily take root.

The military junta in Port-au-Prince tries to lay to rest the ghosts of the Tontons Macoute, Martin Fletcher reports

By ROBIN OAKLEY, POLITICAL EDITOR

One reason why some min-

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Peter Riddell, page 16
Leading article, page 17

Background, analysis, page 3
When men fall, page 14

FROM CHRISTOPHER WALKER AND DESSA TREVISAN

In Rome on a trip to whip up international support, the

Croatian president, Franjo Tudjman, said his republic would fight to the end. Both sides, meanwhile, continued to beef up their forces and accuse each other of breaking the ceasefire of September 22. Western sources said that the deteriorating situation gave

Continued on page 22, col 2

The report went on to say that liberal groups remained weak, adding: "There is alarming evidence of the creation of the social conditions for emergence and fast development of movements or political forces of a populist or even fascist hue."

The very leaking of the KGB report provided further evidence of the extent to which central institutions in the Soviet Union are crumbling, and that disintegration may lead to much of the EC


We were not permitted to see the corpses of the many civilians filling the morgue. Continued on page 22, col 5

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Both companies were contacted by the Stock Exchange after fears that the speculation was causing abnormal swings in BAe shares. GEC said last night, however, "There is no

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**FROM JAMES BONE
IN NEW YORK**

The inevitable has now happened, with a teenage girl suing the video game giant, and the toy shop which sold her the game, for more than \$10,000 (£5,800) for causing her "Nintendo wrist". Nicole LaBruzzy, aged 17, from Utica, Michigan, claims she began suffering numbness and tingling in her fingers after playing Nintendo for more than two hours a day between August 1988 and 1989. Although the problem abated when she stopped using the game, she

The specific strains of manipulating the Nintendo joystick to manoeuvre characters on the video screen were first identified last year by a Wisconsin doctor who named the condition "nintendinitis". Dr Richard Brasington, a rheumatologist from Wisconsin, wrote to *The New England Journal of Medicine* describing how a 35-year-old woman entranced by her first encounter with the

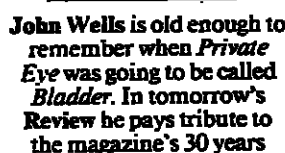
Miss LaBruzzi says she suffers from carpal tunnel syndrome, in which the nerves passing from the thumb and the first two fingers through the carpal tunnel—a sheath of tissue in the wrist—become pinched. Barry Seiffman, her lawyer, says she suffers from the condition in both hands.

He adds, "Miss LaBruzzi's claim is the first time it has been targeted in a lawsuit." Refusing to comment, the company simply counselled "moderation things."

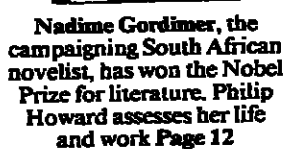


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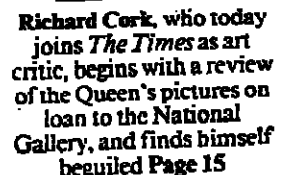
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TODAY IN THE TIMES



ROYAL DELIGHTS



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EC challenges milk board monopoly

By MICHAEL HORNSBY, AGRICULTURE CORRESPONDENT

BRITAIN may be taken to court by the European Commission for allegedly allowing the Milk Marketing Board to abuse its monopoly powers. The move is seen as the most serious challenge to the dairy industry cartel organisation in its 58-year-old history.

The board has the exclusive right to buy raw milk at a uniform pooled price from the 30,000 dairy farmers in England and Wales and to sell it to dairy processors. After Britain joined the European Community in 1973, this monopoly power was enshrined in community legislation.

The dispute turns on the definition of raw milk. The commission argues that semi-skimmed or low fat milk is a processed product and falls outside the powers of the board. Farmers who separate the fat themselves or have a commercial interest in a dairy that does so are under no obligation to sell to the board, it says.

If this argument were up-

held, the board's powers would be fatally weakened. Low fat milk accounts for 40 per cent of the market in Britain. Farmers could strike deals with dairies offering a better price than the board's.

A few dairy farmers have already struck "contract processing" agreements with dairies and it was the board's attempt to halt such deals earlier this year that prompted the Brussels investigation.

The commission has sent the agriculture ministry a "reasoned opinion" setting out its views. This is the first step in legal proceedings. John Gummer, agriculture minister, has three weeks to decide how to respond. If he rejects the opinion, he could find he is brought before the European Court of Justice in Luxembourg. If he accepts the opinion, he would in effect be signing the board's death warrant. Mr Gummer is was yesterday said to be taking legal advice.

In a statement yesterday

from its headquarters at Thames Ditton, Surrey, the board said: "Our view remains that low fat milk falls within the scope of the marketing scheme. This is a very important issue. If the Brussels position is upheld the whole scheme would be undermined." The board insists on its right to impose levies on farmers who sell milk outside the system.

John Price, director-general of the Dairy Trade Federation, which represents the 300 dairies and processors which buy milk from the board, said: "The whole scheme would collapse into chaos if Brussels had its way. You cannot have a situation where some milk is in the scheme and some milk is outside it. If the scheme is going to be scrapped, then it must be done in an orderly way."

Mr Gummer has encouraged the board to become more market oriented but has stopped short of saying it should be scrapped.



Back in hot seat: Jack Mann, with his wife Summie, gives the thumbs-up from a Spitfire yesterday at RAF Lyneham

Jack Mann relives his fighter ace past

THE Battle of Britain ace Jack Mann sat in a Spitfire yesterday for the first time in 45 years and asked to be allowed to fly it. The 77-year-old former Beirut hostage scrambled into the cockpit of a Mark V Spitfire from the Battle of Britain Memorial Flight at RAF Lyneham, Wiltshire, and

demanded to know where the gun sight had gone. Mr Mann shot down six German ME 109s at the controls of Spitfires during 1940.

He said: "It's wonderful to sit in one of these again. When I came here from Beirut and saw the Spitfire coming over and doing a victory roll, I was

overwhelmed. I never expected to see one again, never mind sit in it. I wish I could fly it." Group Captain Clifford Spink, who flew the plane from RAF Coningsby in Lincolnshire, politely told Mr Mann it was not possible.

Mrs Mann said: "It has given him a tremendous lift to

be in a Spitfire again. I can't think of anything that would have given him more pleasure than today."

The Manns will remain at Lyneham for some time while further medical checks are carried out. They will eventually fly to Cyprus to set up home there.

RUC claims rejected

The RUC chief constable Hugh Annesley last night denounced a television programme that accused some of his men of involvement in Loyalist paramilitary killings. He said allegations by Channel 4's *Dispatches* were "an unjust and unsubstantiated slur" on the force and an insult to officers and soldiers fighting terrorism.

It was claimed on Wednesday's programme that members of an RUC "inner circle" helped Protestant gunmen to kill at least seven people.

Double shooting

Police investigating the deaths of two people in Wiltshire believe a man shot his mother before killing himself. Police believe David Abrams, aged 21, shot his mother, Valerie, and the family dog with a shotgun at the family home in Melksham before driving to a beauty spot on the A3102 and shooting himself in the head.

Karpov beaten

Anatoly Karpov, the former world champion, lost his first game in the eighth round of the World Cup chess tournament at Reykjavik yesterday. His loss came in 51 moves against Ljubojevic of Yugoslavia.

CORRECTIONS

Sign, the charity for deaf young people, has just embarked on an appeal for money to convert a redundant church in Balham, south London, into flats as part of a campaign to help sufferers to become independent. A report from the Press Association yesterday incorrectly stated that the project had been concluded.

The *Times* diary yesterday said that Nicholas Phillips committed suicide earlier this year. In fact, the inquest returned a verdict of accidental death. We apologise for the error.

GEC/BAe merger prospects

Giants are natural partners

ANY merging of the key commercial interests of GEC and British Aerospace, the two giants in the defence industry, is likely to be viewed by the government as a natural, if not inevitable, development. The two companies already have a share in many of the biggest defence contracts and it is in the interests of both that British Aerospace remains viable.

Lord Weinstock, GEC managing director, clearly has in mind a similar rescue attempt to the one he carried out in February last year when Ferranti was in trouble. While not wishing to mount a straightforward take-over bid for the whole company, he opted for Ferranti Defence Systems because of the benefits GEC would derive from the company's specialist expertise.

As one defence industry source said: "Lord Weinstock is not going to be indifferent to a troubled British Aerospace. There is tremendous experience invested in British Aerospace and the company's capabilities are a national asset. So GEC will want to be involved in some form of co-

Any linking of key British Aerospace and GEC interests would have an air of inevitability
Michael Evans reports

ordinated or individual rescue action."

Both GEC and British Aerospace are involved in two of the most prestigious defence contracts: the so-called Al Yamamah deal with Saudi Arabia to sell 72 Tornados, 30 Hawks and 30 PC9 trainers; and the European Fighter Aircraft (EFA), the four-nation collaborative programme.

British Aerospace, prime contractor for the Saudi deal, has completed most of the aircraft contract with just 20 more Tornados to be delivered. GEC provides some of the electronics and its Foxhunter radar for the Tornados. The official value of the contract is £5 billion but since it was first signed, the figure has more than doubled. For EFA, British Aerospace

has a 30 per cent share in the development programme and is responsible for designing the front fuselage and part of the wings.

But the £300 million radar contract for EFA, which could eventually be worth £2 billion, was won by a consortium led by GEC Ferranti Defence Systems.

There are numerous other defence deals where GEC and British Aerospace are partners. Yarrow Shipbuilders, a GEC subsidiary, is building most of the Royal Navy's current batch of Type 23 frigates. But the crucial weapon, the vertical-launch Sea Wolf anti-aircraft and anti-missile system, is built by British Aerospace, with GEC Marconi providing the fire control and target tracking equipment.

British Aerospace Dynamics, responsible for weapon systems, has a £1 billion contract to build Raptor 2000 anti-aircraft systems for the defence ministry. GEC Marconi provides the track radar.

Philip Bassett, page 16
Business news, page 23

MAIN BRITISH-BASED GEC SUBSIDIARIES

Company	Location	Workforce	Products	Ownership %
GEC Ferranti	Edinburgh	6,000	Radar systems	100
GEC Avionics	Rochester	5,000	Electronic flight control systems	100
GEC Plessey Avionics	Havant	5,000	Torpedos, sonar systems	100
Marconi Underwater Systems	Portsmouth	na	Satellite/space equipment	100
Marconi Space Systems Ltd	Portsmouth	1,100	Secure radio/speech synthesizers	100
Marconi Defence Sys	Portsmouth	2,000	Domestic appliances	na
Hotpoint UK Ltd	Peterborough	na	Domestic appliances	na
Creda Ltd	Stoke	2,687	Ships	na
Xpclair Ltd	Widton	594	Computer aided design equipment	100
Yarrow Shipbuilders Ltd	Glasgow	2,950	Public telephone exchanges	50
Marconi Instruments Ltd	St Albans	2,688	Transmission syst	100
GPT Ltd	Liverpool	na	Business systems	100
GEC Alsthon	Covertry	na	Condensers, thermal and nuclear power plants	100
Rugby	Stafford	5,500	Turbines/generators gears and valves	100
Bradford	Bradford	4,200	Gas turbines and diesels	100
Leicester	Leicester	4,900	Power transmission systems	100
Cotchester	Cotchester	3,300	Electrical equipment	100
Newton-le-Willows	Newton-le-Willows	3,350	Electric and diesel locomotives/light rail systems	100
Stafford	Stafford	230	Robotics	100
Manchester	Manchester			
Birmingham	Birmingham			
Lichfield	Lichfield			
Manchester	Manchester			
Slough	Slough			

BRITISH AEROSPACE: MAIN COMPANIES AND ACTIVITIES

British Aerospace is Britain's largest exporter of manufactured goods. Over 60 per cent of its output is sent to 150 countries. Its 129,000 employees produce a wide range of civil and military aircraft, motor vehicles, and space communications as well as property services. Its main companies and activities are:				
Company	Factories	Staff	Products	Ownership
British Aerospace (Commercial Aircraft) Ltd	Chester Chadderton Filton Hatfield Prestwick Woodford	4,700 3,100 4,800 4,600 3,100 2,900	Airbus wings, BAE 146, Jetstream, ATP, BAE 125, BAE C29	Wholly-owned
British Aerospace (Military Aircraft) Ltd	Brough Dunstable Kingston-on-Thames Preston Sarnesbury Warton	4,800 914 3,500 4,620 3,200 6,650	European Fighter 914, Hawk, Goshawk, Tornado, depth charges, sonar, AWACS	Wholly-owned
British Aerospace (Dynamics) Ltd	Filton Lestock Stevenage Henlow	2,600 2,400 5,300 400	Sky flash, Milan, Rapier, Sea Dart, Sea Eagle, Sea Skua, Sea Wolf, etc.	Wholly-owned
British Aerospace Space Systems Ltd	Filton Stevenage	1,200	Civilian and military satellites	Wholly-owned
Rover Group Ltd	Bargood Birmingham Coventry Gaydon Oxford Salford Swindon	100 17,600 2,600 600 6,000 8,900 3,000	Rover, Metro, Mini, 80 per cent BAE owned	Wholly-owned
Royal Ordnance PLC	Birley Bishopclee Blackburn Bridgwater Chorley Glascoed Nottingham Radway Green Summerfield Westcott Wolverhampton	32 2,475 44 675 878 47 136 564 676 100	Explosives and demolition charges, ammunition of all types, fuzes, rockets, warheads, rocket motors, guns, rifles, mine clearance equipment	Wholly-owned
Aerostructures Hamble, Ltd.	Hamble	1,850	Aircraft equipment, windshields, canopies	Wholly-owned
Arlington Securities PLC	London	280	Property development business and industrial parks, marinas	Wholly-owned
Balfast-Nedam Construction Ltd	Bromley	275	General building and civil engineering work	Wholly-owned
Bishopsgate Systems Ltd	Guildford	72	Design manufacture of data link communications	Wholly-owned
British Aerospace Communications Ltd	Stevenage	180	Business tv networks	Wholly-owned
British Aerospace Warrington (Consultancy Services) Ltd	Warrington	100	Project management for civil engineering	Wholly-owned
British Aerospace Prestwick Flying College Ltd	Prestwick	140	Commercial airline pilot training	Wholly-owned
British Aerospace Farnborough Enterprises Ltd.	Farnborough	8	Management of BAE's investment in subsidiaries	Wholly-owned
Liverpool Airport PLC	Liverpool	N/A	Local airport	76 per cent BAE owned
British Aerospace Farnborough PLC	Farnborough	128	Civil and military simulators	Wholly-owned
British Aerospace Plymouth (Systems and Equipment) Ltd	Plymouth	1,500	Electronic aircraft equipment	Wholly-owned
Brooklands Estates Ltd	Weybridge	N/A	Formed with Trafalgar House to develop Brooklands motor racing circuit	50 per cent BAE owned
Nanoquest Defence Products Ltd	York	28	Lasers and optical instruments for military	Wholly-owned
National Remote Sensing Centre Ltd	Farnborough	50	Supplying and processing remote data from satellites	Wholly-owned
SD-Soicon Fleet	Fleet	N/A	Data processing systems for military and civilian work	24 per cent BAE owned
Sowerby Research Centre	Filton	180	Long term research	Wholly-owned
Spectrum Technologies Ltd	Hayes	9	System for marking electric cables	Wholly-owned
Wind Energy Group Ltd.	Hayes	N/A	Design and development of wind-driven electricity generators	50 per cent BAE owned

British Aerospace also has subsidiaries in Egypt, Singapore, USA, Holland, Australia, Canada, Sweden, Germany and France. It is also involved in a large number of international co-operative projects ranging from space systems to training simulation.

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'One cannot understand how he should throw it all away in what seems to be such a remarkably careless way'

Green's fall from grace shocks legal profession

By FRANCES GIBB, LEGAL AFFAIRS CORRESPONDENT

THE fall from grace of Sir Allan Green, QC, the Director of Public Prosecutions, has cast a deep shadow over the career of a man widely regarded as having saved the Crown Prosecution Service — one of the most important developments in criminal justice since the war — from dying in its infancy.

The legal profession was shattered yesterday by his swift resignation after being sacked by police for allegedly soliciting a prostitute.

"It is a body blow," Anthony Scrivenor, QC, chairman of the Bar, said. "He was an outstanding director of public prosecutions. The public has lost a great protector."

Mr. Scrivenor also praised Sir Allan's fairness as a prosecutor. "He was in the best traditions of the Bar; he never pressed for a conviction and he brought the ethics of the Bar to the job."

Sir Allan's resignation comes four years and three days after he was appointed DPP after a successful career in the Bar, most recently as senior prosecuting counsel at the Central Criminal Court.

His pleasant personality, which exudes sobriety, courtesy and — ironically — a high moral tone, made the

manner of his departure all the more of a shock to those who knew him. One High Court judge said he was shattered. "He is the very last person I would have expected this of."

Sir Allan's staff at Queen Anne's Gate, whom he told yesterday morning, were dumbfounded. "It was a great shock," one senior member said. "We are all very sad indeed. He is extremely popular and widely liked. The job is a great strain, although I know of no particular difficulties in a narrow sense, although his father, to whom he was close, died a few months ago."

Michael Hill, QC, senior prosecuting counsel and a former colleague and close friend of Sir Allan, said: "He is one of the nicest men I know and he was a remarkably good director of public prosecutions. I feel very deeply for him."

Michael Mansfield, QC, a leading defence barrister who represented five of the Birmingham Six, said: "He has endeavoured to apply some fairly strong principles. He has not always succeeded but that may not be his fault."



Sir Allan and his wife, Eva, whom he married in 1967, and their children Robin and Susie, after he received his New Year honours knighthood

Recession boosts street soliciting

THE recession is forcing young women into prostitution, with evidence emerging that more are taking to the streets of London to help to make ends meet.

The English Collective of Prostitutes, a pressure group based in the King's Cross area of London, says more women have been coming to it for help. It is concerned about an increase in the numbers operating from street corners in the traditional red light areas, rather than from flats, particularly since the brutal attacks on prostitutes in recent weeks.

The collective said: "There are an increasing number of girls on the street due to several factors, mainly the effects of the recession. There have been no real increases in child and housing benefits this year and 70 per cent of working girls are single parents. There is also an increase because of unemployment among men, which is leading their partners to go on the streets to help, and there is the longstanding problem of young people in London being ineligible for benefits."

The collective says that a change in the law to allow prostitutes to advertise openly would remove women from the streets and make the business safer.

The police said that there had been an increase in the number of prostitutes

operating recently. A spokesman said one reason could be that women had returned to the streets after an absence because of warnings from the police about attacks.

A further factor which is believed to be leading to more women operating from the streets rather than from flats is the effort by British Telecom and the London boroughs to reduce the number of advertising stickers and cards left plastered over telephone boxes.

Defacing telephone boxes was an offence until 1984, when British Telecom was privatised. The fourth London Local Authorities Bill, which will again make it a criminal offence, but it will cover stickers only.

BT spends thousands of pounds removing up to 11,000 stickers and cards each week from its 3,500 phone boxes in London. Police say that the courts have recently taken a tougher stance against the card distributors, who are paid about £30 for every 200 distributed.



Night work: prostitutes wait for clients in Paddington. Many of the women in London are single parents

Politician and sports stars disgraced by charges

By BILL FROST

NOT since 1976 has suspicion of kerb-crawling humbled a prominent government-appointed figure. In that year, Lord Wigg, a former security adviser to the Wilson government, was brought before magistrates to answer charges of insulting behaviour after accosting half a dozen women in the West End of London.

The late Lord Wigg, then aged 76, said he was "struck dumb" by the allegations. A police sergeant told the court he saw the Labour peer approach half a dozen women who rejected his advances. The officer said that Lord Wigg had been stopped and questioned about kerb-crawling on a previous occasion. No action had been taken in "the interests of national security". Tabloid newspapers had a field day. Lord Wigg was acquitted but he was ruined.

Kerb-crawling has also lured a number of sporting personalities to ritual public humiliation. Four years ago David Plead, the manager of Tottenham Hotspur, resigned his £90,000-a-year job after being "unmasked" in a mass circulation Sunday newspaper. Plead, the paper revealed, had been cautioned three times for kerb-crawling. Two years ago John Dreyer, a defender with Luton Town, was suspended after admitting kerb-crawling.

Dr Brian Thomas-Peter, head of psychology at Reaside clinic, a secure unit in the West Midlands, said that judges, politicians and councillors caught consorting with prostitutes were indulging in a form of escapism. The greater the risk, the more attractive the activity seemed, he said. "What these people are doing is escaping from tension and stress."

Prostitution is not a crime but kerb-crawling was made an offence under the 1985 Sexual Offences Act to prevent associated nuisances, particularly motorists driving slowly round red light districts calling out or signalling to women. The maximum penalty is £400, due to rise to £1,000 next October.

Woman is tipped as possible successor

BARBARA Mills, QC, director of the Serious Fraud Office, was being tipped last night as a possible candidate to succeed Sir Allan Green as Director of Public Prosecutions (Frances Gibb writes).

Mrs Mills, a senior Treasury counsel with Sir Allan in the 1980s and head of the fraud office since last autumn, would, if appointed, be the first woman to hold the post.

The other names being put forward in legal circles were Graham Boal, senior Treasury counsel and acting chairman of the Criminal Bar Association, and John Nutting, also senior Treas-

ury counsel. Pending the appointment to the £77,000-a-year job, likely within two to three weeks, David Gandy, deputy director of the service, will act as director.

However, there is no need for the appointment, which is made by the Attorney-general, Sir Patrick Mayhew, QC, to come from the practising Bar. Such previous DPPs as Sir Thomas Hetherington, QC, and Sir Theobald Mathew came from Whitehall.

Mr Nutting, the youngest contender, is the son of Sir Anthony Nutting, who resigned as junior Foreign Office minister over Suez.

Killed soldiers' families say US broke promise

By PETER VICTOR

THE families of nine servicemen killed by "friendly fire" from two American planes during the Gulf war have accused US officials of breaking a promise from President Bush to provide them with information.

During a 16-day tour as guests of the Americans, the soldiers' families were assured by the president that they would receive details of the Pentagon's enquiry into the tragedy.

The nine soldiers were killed during an attack on February 27 when they were hit by fire from two American A10 tankbuster aircraft. A Ministry of Defence report into the incident, which apportioned no blame to British troops, failed to placate the families.

The president's promise to provide the families with the report of the US enquiry, thought to contain the statements of the two A10 pilots, was expected to embarrass the Ministry of Defence. A copy was sent to the ministry, which has refused to release its full report or details of the US document. It now refuses to comment on the matter.

During the visit, Mr Bush was widely reported to have said: "I can assure you as commander-in-chief that the documents will be with you before you leave America or faxed to you on your return." Vice-president Dan Quayle, however, was reported to have said: "The British government classified the report, not us. If they won't give it to you it's up to them."

Yesterday, some of the families were resentful at having returned to Britain empty handed. Peter Atkinson, whose son was killed in the attack, met the president at the White House and suggested that the A10 pilots had been off course. Mr Atkinson

said: "He seemed to get a bit annoyed and said, 'Do you want the facts?' When I said yes, he replied, 'You'll get them.' He said he would give it to the British ambassador."

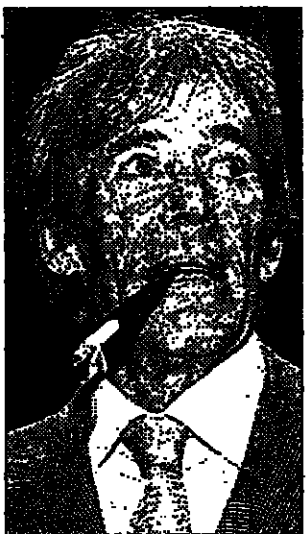
Mel Gillespie, whose son Richard died in the attack, said that the report was freely available. "Somebody out there is making sure we don't find out what happened. Something is not right."

Yesterday, both the Pentagon and the White House refused to say whether the families would get the report. The Pentagon insisted that the document was classified.

A presidential press aide said: "There some question about whether the president promised any particular report. He promised he would look into it and send what he got to the British ambassador in Washington."



Epic service: Omar Sharif, left, and Peter O'Toole leaving St Paul's Cathedral yesterday after attending, with many other personalities of the cinema world, the memorial service to Sir David Lean, director of many epic British films, who died in April aged 83. The service lasted more than 90 minutes with readings from actors who had appeared in his films, including Sir John Mills, Mr O'Toole, Mr Sharif and Tom Courtenay. The



Royal Philharmonic Orchestra and chorus played music from *Lawrence of Arabia*, *Dr Zhivago*, *Ryan's Daughter* and *Passage to India*. In the congregation were many of Sir David's family, led by his widow, Sandra, and friends and colleagues from every part of the film industry. Anne Todd, aged 82, his former wife, was also present.

Memorial service, page 18

Tunnel's prefabricated station ridiculed

By MICHAEL DYMES, TRANSPORT CORRESPONDENT

PROPOSALS to build a temporary passenger station for Channel tunnel rail services out of prefabricated huts at Ashford in Kent were greeted with dismay yesterday by Tony Hart, the leader of Kent county council.

Details of the hut scheme will be unveiled by Richard Hope, an independent rail consultant and former editor of *Railway Gazette*, at an Ashford hotel today. Mr Hope has drawn up the hut scheme on behalf of Eurotunnel, the Channel tunnel operator.

The proposal is designed to provide Kent with temporary international arrival and departure facilities until British Rail's plans to build a £140 million station are completed. Work should have begun in March for the station to open in time for the opening of the tunnel in June 1993. However, the government has yet to approve the BR project.

Mr Hart said that the huts plan was a shambles. "What will people arriving in Britain

think when they are greeted by an international station made out of prefabricated huts? We'll be the laughing stock of Europe. The government must make up its mind and announce the final section of the route for the Channel tunnel link, and approve the new station for Ashford."

Transport officials said that Malcolm Rifkind, the transport secretary, has been briefed about Eurotunnel's proposals, although no decision has been taken. "Eurotunnel will have to discuss their suggestion with British Rail to establish whether it is operationally feasible," a spokesman said.

SNCF, the French national railway, is building a £23 million station at Frethun and a £197 million station at Lille to cater for Channel tunnel rail services.

BR declined to comment on Eurotunnel's prefabricated hut proposals until the details of the scheme have been made public.

Injuries to baby 'like road accident'

A CONSULTANT paediatrician who examined a baby girl on Christmas Day found bleeding in the brain and two fractured ribs, a jury was told yesterday. "Baby Y", who was less than seven weeks old, also had bruises on her face and chest. Dr Suzanne Hart said at the Central Criminal Court. The force needed to fracture her ribs would have been the equivalent of a road accident, she said. The baby's parents, Robert Rouse, aged 22, and Lyndsay Morris, aged 19, of Thornton Heath, Surrey, deny cruelty to Baby Y and deny murdering her sister Sadio, aged six weeks, by smashing her head against a wall.

Mr John Nutting, for the prosecution, said that the couple told doctors that they might have accidentally hurt the baby by holding her too hard when they tried to give her gripe water.

ITN man moves to US cable network

By MELINDA WITTSTOCK MEDIA CORRESPONDENT

BRENT SADLER, ITN's award-winning Middle East correspondent, has moved to the 24-hour Cable News Network, accusing his former employer of failing to promote senior reporters in the way the BBC has made "stars" of Kate Adie and John Simpson.

Mr Sadler, whose three-year CNN contract is estimated to be worth £100,000 a year, said that ITN had concentrated too much on promoting its newsreaders, rather than the correspondents dodging bullets in the field who better captured public imagination. "It is a waste of resources in a fiercely competitive world of TV news not to capitalise on people in the field by boosting their profiles in the way the BBC does," Mr Sadler said.

The 40-year-old reporter also said that ITN's financial problems had influenced his decision. "There are far fewer opportunities to move around and do the type of stories I want to do when the pennies are being counted," he said.

"ITN just cannot match CNN in terms of news firepower. It has 27 bureaux; ITN has just five. It broadcasts to 127 countries worldwide, and as a result more doors will be open to me."

An ITN spokesman said it was difficult for British television to match American salaries. However, he added: "ITN is one of the top six news organisations in the world; it is untrue that we are not big enough to fulfil his ambitions. He was seen so often on CNN because ITN was able to provide CNN with so many reports."

● Selina Scott, who has been earning £4,000 a week from British Sky Broadcasting despite being absent from the screens for six months, is to start presenting Sky News's breakfast show on Monday.

Creature comforts cost pet lovers dear

By MATTHEW D'ANCONA

A PET can cost its owner up to £10,000 over its lifetime, according to a survey published today. Undaunted by the recession, pet lovers continue to plough their funds into food, treats, veterinary treatment and insurance, according to *Wild About Animals Magazine*.

Dog owners can expect to spend £9,000 over 12 years, while a cat's 13-year lifespan represents an average bill of £6,000. The cats of Scotland, the North-West and North-East enjoy the highest standards of living, costing almost £10,000 on average.

The survey, based on replies from 1,000 readers around the country, shows

that 91 per cent of owners spend up to £15 a week (over £700 a year) on pet food — an increase on last year's figures. Forty-six per cent of dog and cat owners spend between £10 and £30 annually on veterinary treatment and nearly two-thirds budget a further £100 for toys and other creature comforts.

High as the figures appear, Bill Edmond of the Kennel Club said yesterday that they should be put in perspective: "Many people will spend more on alcohol in the 12 years of a dog's life. Walking a dog is better exercise."

The survey also sheds light on the unconventional lifestyles of some of Britain's pets, including an East

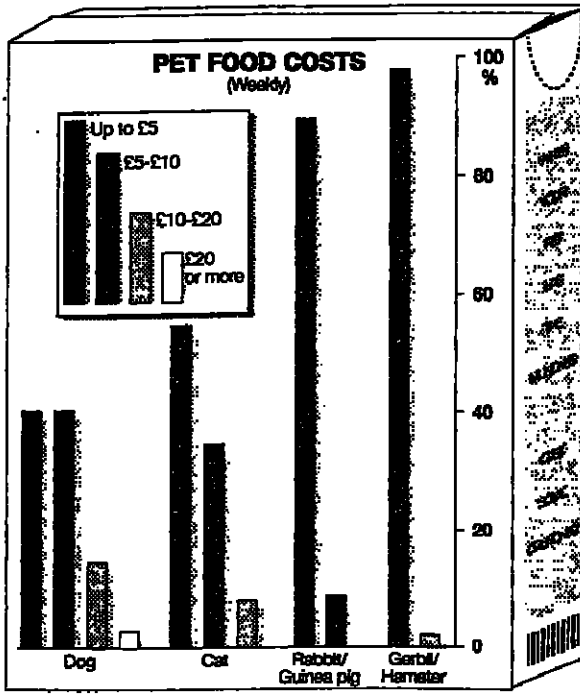
Anglian dog and rabbit who sleep together, a London kitten with a taste for vindaloo curry, and Noddy, an accident-prone budgie who crashed to disaster on a recent exercise flight. His owner, Margaret Dunn of Yeovil, Somerset, said yesterday: "He was flying round the room and fell into one of our narrow vases. We had to pull him out by his legs. The vet said he'd pulled a muscle."

Like most of the respondents, Mrs Dunn expressed concern about cruelty to animals and the punishment of offenders. "I don't think the penalties are stiff enough. They should be banned from keeping animals," she said. More than

half of pet-owners agreed and a further 35 per cent called for imprisonment. Nearly 80 per cent found zoos unacceptable and 89 per cent thought wild animal acts should be banned from circuses.

Jilly Cooper, the author, was voted a top animal-loving personality, piped to the post only by Brigitte Bardot, the former actress turned animal rights campaigner.

Miss Cooper said yesterday: "I think that's the nicest thing that's ever happened to me. But £10,000 per animal sounds very low for our family. We cook chicken for our pets and a dog-sitter is brought in when we go out."



4 HOME NEWS

Killer's psychiatrist guilty of 'serious clinical error'

By PETER DAVENPORT

AN ENQUIRY into the release from hospital of a mental patient who two days later killed a young girl found that the consultant psychiatrist in the case was guilty of a "serious error of clinical judgment", it was disclosed yesterday.

The report of the Trent regional health authority enquiry into the case of Carol Ann Barratt, who on Wednesday was ordered to be detained indefinitely after stabbing to death a girl aged 11, was completed in July. The authority published the findings yesterday in response to a

call for an enquiry by the judge who sentenced the killer.

Barratt, aged 24, was in the psychiatric unit of Doncaster royal infirmary when Dr Neil Silvester allowed her to go free. She was being held there under the Mental Health Act after threatening another girl with a knife and trying to strangle a hospital visitor. Two days after being released, she attacked Emma Brodie, aged 11, at a shopping centre in Doncaster, killing her with a single knife blow.

After sentencing Barratt for manslaughter at Sheffield crown court on Wednesday,

Mr Justice Turner said that the public had "every reason to have considerable anxiety" about the circumstances behind the decision to free her.

Yesterday, the enquiry's recommendations and a summary of its findings were published. It was announced after the court case that Dr Silvester had been told to take "special leave" pending the outcome of an investigation to decide if he should face disciplinary action.

Brian Edwards, Trent Health authority's regional general manager, said that the authority had received the

enquiry team's report only six days before the court case. It had delayed taking action until after the case to avoid prejudicing the proceedings.

The enquiry team expressed "deep concern" that Dr Silvester had agreed to release Barratt from the hospital on April 14 without an assessment of her condition on the day. Barratt, who had a history of psychiatric problems, had been turned down for release by a mental health review tribunal on April 11.

The report said that by April 14, there was evidence that Barratt posed a threat to other people. Referring to Dr Silvester, it added: "The RMO [responsible medical officer] in discharging Carol from her Section paid scant regard to the decision of the Mental Health Act Tribunal who refused to discharge her on the basis that her detention was justified in the interests of her own health and safety and with a view to the protection of others."

"The RMO's decision to terminate her Section thus enabling Carol to discharge herself, and the circumstances in which this decision was made, constituted a serious error of clinical judgment."

These are the key dates supplied by Trent regional health authority, in the chronology of events leading to the killing of Emma Brodie, aged 11, by Carol Ann Barratt, March 30, 1991: Barratt is admitted to psychiatric unit of Doncaster royal infirmary under Section 2 of Mental Health Act after threatening a girl with a knife in the Frenchgate shopping centre. April 4: Barratt absconds, attacks a girl and attempts to strangle a hospital visitor. There are several more es-

capades over the next 10 days in spite of her being under close observation.

April 11: mental health review tribunal rejects Barratt's application to be discharged, saying she is suffering from a mental disorder that means she is a risk to herself and others.

April 14: At 5.30 on the Sunday evening Barratt is visited by her mother, who demands her release from detention. Barratt has to be restrained from leaving the

hospital. Nurses contact Dr Silvester by telephone and he offers Barratt's mother the option of discharging her daughter from her Section 2 in return for a written undertaking that she will take full responsibility for her. Barratt's mother signs a Discharge Against Medical Advice form.

April 16: Barratt returns to the crowded Frenchgate centre where Emma Brodie is shopping with her elder sister. Barratt stabs Emma with a carving knife.



Matched by microchip: a couple who met through Dateline help the agency to celebrate its silver jubilee. Dateline's annual turnover has reached £4 million

Winning date for computer romance

By BILL FRIEST

A DOZEN couples who can thank the microchip for their happiness were brought to London by the world's largest computer dating agency, which today celebrates 25 years of matchmaking.

The Dateline success stories, exchanging the odd affectionate nuzzle, came to the company's headquarters in Kensington earlier this week to tell reporters how happy their partners and the agency had made them.

John Patterson, founder of Dateline, which now has an annual turnover of £4 million, rejects suggestions that his clients are social miscreants. "People have misconceptions about Dateline. This is no temple of despair... Most clients come to us because they have decided to do something constructive about meeting the right partner," he said.

Robert, a quantity surveyor aged 55, described meeting Catherine, aged 49. "It was as though a huge wave had crashed over me and an orchestra had started playing... I knew then, I am in love." The couple were married with a month of their first meeting.

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Breast cancer toll 'can be cut'

By THOMSON PRENTICE MEDICAL CORRESPONDENT

WOMEN were yesterday offered hope that the annual toll of 15,000 deaths in Britain from breast cancer will be reduced significantly in the next few years.

Virginia Bottomley, the health minister, Norma Major, the prime minister's wife, and Esther Rantzen the television presenter expressed optimism that screening and research together will cut the toll by almost 10 per cent by the end of the century.

Mrs Bottomley said that by then, the national x-ray screening programme should save 1,250 lives a year. She was speaking at the launch in London of Europe Against Cancer, an event organised by the European Commission.

The programme is open to women aged 50 to 64. So far, 70 per cent of women in that age group are accepting invitations to be screened, but many more must be encouraged to take part, Mrs Bottomley said.

An appeal to raise £15 million to build a research centre next to the Royal Marsden hospital in London dedicated to finding a cure for the disease was launched yesterday. It has been set up by a new charity, Breakthrough Breast Cancer, which has raised almost £1 million and has had pledges of a further £5.4 million from other cancer charities and the Wellcome Foundation.

Surgeons in Liverpool yesterday carried out what they believe is one of the world's first "keyhole" lung cancer operations. A two-inch tumour was removed from a man aged 68 through a much smaller incision than needed during conventional open-chest surgery for the disease. The patient is recovering well.

Viking skeleton found

The ninth-century site of a Viking burial boat has been found on Orkney. Archaeologists say it is in danger of destruction by gales unless enough money is raised for a rescue dig, which could cost more than £10,000.

The discovery, announced yesterday, was made on Sunday last week when Julie Gibson, an archaeologist, found part of a human skeleton on the shore and stains in the sand caused by rusting boat rivets. An earlier discovery of a weight for measuring silver bullion suggests the skeleton is that of a wealthy merchant.

Claim settled

A prison officer at Peterhead, Grampian, who sued the Scottish secretary for £80,000 after being held hostage by prisoners for four days in 1986, has settled out of court. The amount of damages has not been announced.

Cleaner sea

The Whitehaven chemical manufacturer Marchion, criticised by Greenpeace over heavy metal discharges into the Irish Sea, says that by next year it will have a £2.6 million process that will reduce the discharges by 90 per cent.

M25 lessons

Essex police say they have been inundated with applications for new classes on how to drive safely on the M25, which last week alone claimed seven lives.

Gascoigne fined

Paul Gascoigne the footballer was fined £85 by Brent magistrates, north London, for driving at up to 69mph on the North Circular road.

No music adds to the love of food

By ROBIN YOUNG

THE Good Food Guide, the discriminating eater's vademecum, celebrates its fortieth anniversary today by introducing three new signposts to tranquil gluttony.

The 1992 edition, published today, identifies places that offer healthy eating options, ban piped music, and neither add a service charge nor leave the bottom line of credit slips open in hope of an addition to the total.

Tom Jaine, the guide's editor, said yesterday: "Restaurateurs have been adding separate service charges to bills since the guide began. It is high time the practice was outlawed. The price of a meal should have a price tag on the menu just like a price tag in a shop, with no extras added on later."

Mr Jaine, a former restaurateur, is only the fourth editor of the guide since the classicist and historian Raymond Postgate launched the pioneering volume in 1951, in revulsion at the standard of eating in post-war Britain. No restaurant has been in every issue of the book,

though Mr Jaine admitted yesterday that the Connaught Hotel in London almost certainly should have been.

"The first edition barely got to grips with London," he admitted yesterday. "The fact that the Connaught was not included was entirely to do with the shoestring resources on which the first guide was produced."

The Connaught has been in every edition since the second, and the next longest-serving restaurants are the Gay Hussar, the Hungarian restaurant in Greek Street, Soho, central London, and the Porth Towy Hotel, Abersoch, Gwynedd, in North Wales, both of which have appeared in 35 successive editions.

The 1992 edition recommends nearly 1,400 restaurants in Britain, Ireland and the Channel Islands. The four top-rated restaurants for cooking are Chez Nico, Le Gavroche and Tante Claire, all in London, and the Altamare Inn, Ullapool, in Scotland.



Cook: vague on where the cash will come from

Passion for the NHS brings conference alive

By ROBIN OAKLEY
POLITICAL EDITOR

THE Conservatives should take warning from yesterday's health service debate that Neil Kinnock has pitched his tent on the right battleground for the election campaign.

In a week of sanitised, marketed politics, the speeches from some frontbenchers have sounded more like progress reports from regional directors of Labour plc. The health service brought the conference alive with some genuine feeling. At last you felt that if you cut them, these delegates would bleed.

On many subjects now there is

a hesitancy born of positions adopted from policy documents rather than felt from the gut, a blandness derived from the need for safety-first rhetoric that does not frighten the horses and the uneasy recognition that Labour and Tory positions may not be all that far apart.

But on the health service there was an explosion of moral indignation.

There was anger about what the speakers saw as deteriorating standards of patient service and inequalities of access to medical care. It was not the synthetic rage we used to see from T-shirted sloganeers of the far left and polytechnic lecturers in Slavonic

studies, but genuine indignation from a procession of doctors, nurses and health service managers who trooped to the rostrum to list what was wrong with something they knew at first hand.

It showed in the language. We were back to talk of "destroying" the Tories, back to complaints of a government "ripping the guts" out of the national health service. Above all, there was the feeling, constantly articulated, that this was "our" service that was being turned into something that the delegates did not want it to become.

The sense of identification in the Labour movement with the

COMMENTARY

national health service should not be underestimated. There was no doubt that these people saw it as their proudest creation. And there was no doubt either of their conviction that the country outside the conference hall shared their basic instincts about the service.

It may be alarming to some that there was not a word uttered to suggest that better organisation of what is there might serve more patients, that increasing resources is not the only solution to health service problems.

Spokesman Robin Cook re-

mains vague on where the Labour government would get the money to correct what he says is a £6 billion underfunding. But Conservative business managers must be worried to find that, despite the assumption of the Tory leadership by a man who actually uses the national health service, these people believe that the government intends to "privatise" it.

There are, of course, those within the medical profession who see merit in the government's health service reforms. But the NHS is Europe's largest employer, with more than a million workers, and the potential for the mobilisation of a large proportion

of that workforce on one side in the election debate is obvious while feelings about the service run so high. Almost as the debate went on you could see the recognition dawning in the audience of the strength of the emerging theme.

As the Monmouth-by-election victor, Huw Edwards, put it, echoing Neil Kinnock's speech to the delegates earlier in the week: "Only vote Conservative if you want to see the national health service destroyed."

Fair or unfair, in a close election it could be a powerful theme. Labour may not have a new Big Idea. But it has a pretty good old one to hand.

Hospital opt-outs will be stopped on Labour's first day

By OUR POLITICAL EDITOR

THE next Labour government will act on its very first day to stop hospitals opting out of local health authority control and would start to bring back the hospitals that have opted for trust status, Robin Cook promised yesterday.

The shadow health spokesman, who has accepted publicly a British Medical Association figure of about £6 billion as the requirement, told delegates at his party's annual conference in Brighton that Labour would restore the underfunding of the national

health service "over the lifetime of a Labour parliament".

Complaining that the Conservatives had built a "one-party state" in the NHS, "packing health authorities with people who only answer to the secretary of state and who always answer yes", Mr Cook said that there would be three criteria for people appointed by Labour, that "they are representative of their local community, they live in their local community and they use the NHS".

Saying that there had been five million fewer eye tests in the two years since changes were instituted, he pledged: "We will restore the free eye test". He also promised a new priority for care in the community, saying: "We will provide each council with a community care grant and we will earmark it so that Tory councils like Devon [which he complained had plans to close three-quarters of its homes for the elderly] have to spend it on the care of their elderly".

With Labour preparing to make the NHS the main focus of its election campaign, Mr Cook pledged too: "We will start to clear out of our hospitals those private contractors who cannot meet the decent standards of a public service." Saying that it had resulted in worse fed patients and dirtier hospitals, he added: "We will scrap compulsory competitive tendering."

Summing up Labour's approach, the shadow health secretary said: "We will do these things not just because they are the right policies but because we have a vision of a society in which every member has a value. That is why we reject a health service in which every patient has a price."

On the question of funding, Mr Cook was less precise, arguing only: "It is no use having a tax cut if you are at the bottom of the waiting list and in pain. It is no use having a tax cut if your operation is cancelled because they closed beds to pay for it. That is why we will use the tax dividend from growth not to cut taxes but to heal the cuts in our public services."

In a debate that generated more passion than any so far at the conference, a stream of delegates came to the rostrum

denouncing the government for spending too little on the NHS and accusing ministers of wanting to destroy it before privatisation.

Hector Mackenzie, general secretary of Cohse, said that trust hospitals only wanted patients, dead or alive, if they brought contracts in with them. He inveighed against a government that had brought out collecting buckets for children's wards. He said: "Majorism is Thatcherism, a rat in the disguise of a grey squirrel".

Tessa Jewell, the candidate for Dulwich, said a consultant had told her: "The next election is going to be won in the corridors of the casualty ward [of his hospital]".

Malcolm Savage, the Labour candidate in the forthcoming Kincardine and Deeside by-election, accused the Tories of "running scared" on hospital opt-outs and promised to make the by-election a referendum on the proposed opt-out for trust status of the Forresterhill hospital in the constituency.

Huw Edwards, who won Monmouth from the Conservatives in the summer by-election that centred on health service issues, was cheered when he told the conference that the Neville Hall hospital in his constituency had decided two weeks ago not to go for trust status because it would not be able to provide the same quality of service and because the staff had been against it.

Caroline Crawley, of the transport workers, said that any voter, asked to pay an extra 1p in income tax to save the NHS, would willingly do so, and Ann Keen, a nursing tutor and candidate for Brentford and Isleworth, said she did not believe the health secretary, William Waldegrave, when he said that the NHS was not being privatised. Speaker after speaker urged the country to vote for a Labour government to "save the NHS" and the feelings of most who spoke in what was less a debate than a rally were summed up by Christina O'Hagan, of Greenock and Port Glasgow, who insisted: "We want a service where people are treated by consultants and not by accountants".

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Leading article, page 17

Kinnock team has much to learn

IF LABOUR wins the next general election, Neil Kinnock will be the first occupant of 10 Downing Street not to have had any ministerial experience since Ramsay MacDonald, the party's first prime minister, 66 years ago.

Neither will he be able to draw from a pool of colleagues with much experience in the higher reaches of government. Almost 13 years on the Opposition benches have depleted the number of Labour men and women with practical knowledge of how Whitehall works.

Although Labour is credited with its most able shadow cabinet for years, the absence of ministerial experience in Labour's frontbench team will be exploited by the Conservative party in the run-up to the general election.

Mr Kinnock's shadow cabinet contains only three MPs with previous cabinet experience plus another six who have held ministerial office. Roy Hattersley and John Smith were in the last Labour cabinet and the party's leader in the Lords, Lord Cledwyn of Penrhos, was in the cabinet from 1966 to 1970. It is a similar situation to that which faced the party in 1964, when

Labour's inexperience of government is likely to be exploited by the Tories. But Neil Kinnock has no lack of loyal aides and advisers, says Richard Ford

after 13 years of Tory government, Harold Wilson's first cabinet had only 12 MPs with previous government experience. Four, including Mr Wilson, had served at cabinet level.

While the Tories will highlight Mr Kinnock's lack of ministerial experience, opinion outside Westminster is divided on whether it would prove an important handicap to his management of government. He has been supported by the Opposition leader's office of 12 people, which, according to some senior civil servants, is similar to ministerial private offices and he has gathered around him a group of loyal aides and advisers, many of whom would be expected to join him Downing Street.

Mr Kinnock's office is run by Charles Clarke, the son of a former permanent secretary at the Treasury, who has been determined that its members should maintain a low profile.

Part of the reason is that the Labour leadership dislikes any discussion of kitchen cabinets which evokes memories of the Wilson years but also because they believe that, in office, it will make for better government. Mr Clarke is the Labour leader's main adviser and would be a key figure in 10 Downing Street, perhaps as the political secretary.

John Eastwell, a fellow of Trinity College, Cambridge, provides economic advice and, like many others in the Labour leader's circle, has close links with the Institute for Public Policy Research. Patricia Hewitt, a former policy co-ordinator for Mr Kinnock, is a senior research fellow at the left-of-centre research institute, but has been tipped as a potential head of a Downing Street policy unit.

Chris Childs combines the role of advising on Africa with electoral "number crunching" and preparing constituency

profiles, while John Newbigin advises on the environment and Asia. Jan Royall is Mr Kinnock's diary secretary and Sue Nye, married to the City economist Gavyn Davies, is preparing Mr Kinnock's election campaign tour.

Labour party sources deflect criticism of Mr Kinnock's lack of experience in government by pointing to the way he has managed the Labour party and chaired the shadow cabinet. "The great difference will be that in office he will have at his command a Rolls-Royce machine instead of the reliable and loyal vehicle available to him in the Opposition leader's office," one Labour source said.

As the election approaches, civil servants will be casting a close eye over any plans by Labour to reorganise parts of Whitehall and create new ministries. Lord Donoghue, who headed the No 10 policy unit under Harold Wilson and James Callaghan, said of the "Whitehall jungle": "It is crucial for the prime minister to have a policy unit to provide him with an input into key policy areas, an analysis to counter conventional wisdom, and to propose alternative policies."

Controls pledged for water

ENVIRONMENT

ONE of the first acts of a Labour government would be to introduce consumer rights and environmental controls on the privatised water companies, Ann Taylor, Labour's environment protection spokesman, told the conference (Sheila Gunn reports).

The companies would also be required to disclose on bills whether their drinking water met the European Community's minimum standards. The party is committed to re-nationalising the water industry. However, as an interim step, Mrs Taylor said Labour would use the powers of the environment secretary to change the companies' priorities so that the needs of consumers and the environment came before the "greed of the shareholders".

She estimated that 11 million people in Britain were condemned to drinking sub-standard water. "Under Labour, every man, woman and child in Britain will be given a right to clean, safe, drinking water," she added. "And we will insist that the water companies tell you, on your bills, whether your water meets the required standards."

Water privatisation had confirmed Labour's worst fears, she said, leading to restricted access to public land, worse pollution,

Week's creep award

CONFERENCE DIARY by Roger Wood

Shadow ministers and SMPs have become resigned to the need for the Labour conference to be as stage-managed and market-oriented as the Conservative equivalent. That is politics these days. But some are becoming disturbed at the growing obsequiousness to the leader that seems to go with the new style.

Not only did the conference give Neil Kinnock an eight-minute standing ovation, setting a target for the Tory faithful with John Major next week. There has also been a constant stream of flattering references from the floor to the leader's sagacity and oratorical skills.

To one delegate in the health debate it had already become "Neil Kinnock's famous speech" on Tuesday. But the creep of the week award went to one Graham Green, the candidate for Gravesend. His series of flattering ref-

erences to the leader in the defence debate, culminating in the cry "You've won the election, now you'll win the election" provoked catcalls from the floor.

One member of the shadow cabinet was heard to mutter that Labour was now suffering from an outbreak of Kim-il-Sungism, after the Korean leader.

As the conference draws to a close, at least one of the party's policies is travelling north to Blackpool for next week's Tory gathering. Labour's pledge to allow men to retire at 60 has support among Conservative party agents, who do not seem disposed to wait for a government decision.

On Monday, a meeting of the agents' superannuation fund will consider a motion "that the normal retirement age for men should be reduced to 60 with a corresponding reduction of early pension age to 55".

Any decision will be watched by Tony Newton,

social services minister, who has promised a consultation document on the issue. The government has yet to respond to a European Court of Justice ruling that both sexes must be eligible for pension at the same age, but Labour believes it will compromise with a common retirement age of 63.

There was a renewed outbreak of election speculation yesterday when a message flashed on monitor screens throughout the conference centre asking Chris Moncrieff, political editor of the Press Association, to call John Wakeham's office. The energy secretary is one of the "Four Musketeers" who advise on the day-to-day efforts in the Tory election build-up. A scoop perhaps? No, the message appears to have been a hoax and the genial Moncrieff is threatening a terrible revenge if he finds the culprit.

Delegates deride Tories' aid to the Third World

By PETER MULLIGAN AND ROBERT MORGAN

LABOUR underlined its pledge to boost British aid to the Third World yesterday by alleging that levels given now punctured John Major's image as a caring leader.

Ann Clywd, shadow overseas aid minister, said that she would lift the UK contribution from 0.27 per cent of gross national product, a record low, to 0.7 per cent within five years.

She told delegates that the Tories had come to regard aid as a kind of "slush fund" for winning contracts abroad, but she said, help should not be given at the expense of poor countries. Mrs Clywd criticised aid reduction last year and added: "John Major's record on aid is now even worse than Margaret Thatcher's."

She was speaking during a wide-ranging debate on foreign affairs during which Gerald Kaufman, shadow foreign secretary, described the pledge, in line with a United Nations target, as "costed and clear".

From the conference floor, David Souter, parliamentary candidate at Hertsmere, said the government's policy had given Britain a reputation for meanness and dishonesty, adding: "The British government has let us down". He said that aid to the developing world was not an optional extra but part and parcel of international and economic policies.

Mr Kaufman launched a

FOREIGN AFFAIRS



Switzer: South African government condemned

fiere attack on the sale of arms, winning loud applause when he said: "Too many of those weapons are being exported by the Soviet Union and China, by Western countries and deplorably by this country's Tory government."

"There is no greater hypocrisy than Douglas Hurd moaning about the danger of a nuclear-armed Iraq when the Tory government played its part in assisting Iraq to acquire nuclear capability. "The UN inspectors will be coming back from Baghdad with evidence of that and it is not surprising that the British government has made it known that it did not want that evidence published." He

promised to work for an international regime to control arms exports, and the "rush" to dismantle sanctions against South Africa, work towards a Middle East peace settlement.

On defence, he said that Labour would work with the allies to scrap all land-based nuclear weapons in Europe, end the policy of first nuclear strike and ban nuclear testing. Labour was urging fresh talks to reduce world stocks of long-range nuclear weapons.

Barbara Switzer, MSP, moved an emergency motion condemning the South African government. She said that the recent revelations about government funding for Inkatha had shown that President de Klerk had a double agenda. Although he spoke about creating a constitution to prevent a minority ruling over the majority, in reality he wanted to maintain the status quo, she said.

Her motion, which was carried, called on the party to maintain its boycott of South African products until there was a united, non-racial and democratic South Africa.

Debates today

The conference ends today with John Cunningham, campaigns co-ordinator, launching the general election campaign. There will be votes of thanks with a reply by a representative of the press.

How the policies have changed

By SHEILA GUNN
POLITICAL CORRESPONDENT

PARTY DEBATE

MICHAEL FOOT'S 1983 general election manifesto, *The New Hope for Britain*, promised "a programme of socialist reconstruction" using North Sea oil revenues and borrowed money. Within its 40 dourly pages ran the recurring theme of the threat from nuclear weapons.

In 1987, within the 17 glossy pages of Neil Kinnock's first manifesto, *Britain Will Win*, the talk was of "democratic socialism in action".

Now voters are offered *Opportunity Britain, Labour's Better Way for the 1990s*, running to 58 pages, where the Labour leader says that the old ideologies do not work. "Modern democratic socialism" is the answer.

The comparison of election pledges below lists Labour's key policy shifts during the past eight years.

Europe: 1983, legislate to withdraw from the EC. 1987, reject EC interference with Labour's policy for national recovery. 1991, Britain to take leading role in EC and move towards economic and monetary union and accept the EC social charter.

Economy: 1983, a five-year £11 billion programme of public investment and construction financed through borrowing and oil revenues; re-introduce exchange controls; control imports through tariffs and quotas if necessary; restrain inflation by VAT cuts and a new Prices Commission; new annual tax on net personal wealth. 1987, introduce a £6 billion-a-year "recovery" programme; borrow £3 billion for "wealth-generating" investment; introduce a wealth tax; set up capital repatriation scheme to keep money in Britain.

1991, increased spending on pensions and child benefit; emphasis on control of inflation; income tax starting at higher income level; new top rate of tax on incomes over £30,000; abolish earnings limit on National Insurance contributions.

Privatisation and industry: 1983, return all Tory privatisations to public ownership; set up a publicly-owned national cable system; take a public stake in electronics, pharmaceuticals, health equipment, and building materials; re-establish British Shipbuilding Corporation. 1987, extend social ownership; convert private shares in BT and British Gas into special new securities; take a stake in high-tech industries. 1991, re-nationalise water companies and national grid.

Defence: 1983, unilateral and multilateral nuclear disarmament; cancel Trident; remove American cruise missiles and nuclear bases; ban arms sales to "repressive regimes"; support Nato while developing non-nuclear strategy. 1987, decommission Polaris submarines; cancel Trident and use money for conventional forces; remove American missiles. 1991, work for elimination of nuclear weapons through international negotiations; keep Trident but cancel fourth submarine.

Unions and employment: 1983, repeal Tory trade union laws; statutory trade union for collective bargaining. 1987, repeal Tory trade union laws; improve protection against unfair dismissal. 1991, repeal few of the Tory laws, such as the right to take sympathy action and right to picket peacefully; minimum wage of £3.40 an hour.

Housing: 1983, end enforced council house sales; freeze council house rents for first full year. 1987, maintain right-to-buy for council tenants. 1991, maintain right-to-buy and give tenants the option of part rent, part buy schemes.

8 OVERSEAS NEWS

THE TIMES FRIDAY OCTOBER 4 1991

Croat says Major sabotaged EC plan

FROM CHRISTOPHER WALKER IN ZAGREB

A SENIOR Croat official yesterday launched a scathing attack on Britain's attitude to the Yugoslav civil war and accused the government of sabotaging any meaningful intervention by the European Community.

Mario Nobilo, the chief foreign policy adviser to President Tudjman of Croatia, singled out John Major for failing to advocate the same help for Croats as that given to the Iraqi Kurds for what he called "British domestic and international political reasons". Speaking in his office in Zagreb, Mr Nobilo said: "Britain is opposing serious EC involvement because you have your own separatist problems, especially in Northern Ireland, and also you fear that closer military and political co-operation over Croatia would set a bad EC precedent."

Voicing anti-British sentiment heard daily by journalists on the streets and battlefields of Croatia, Mr Nobilo added: "We believe that the unprovoked attacks on Dubrovnik have shown the British public what type of war

this is and that now their view is ahead of the government's — the people in London want something to be done."

The British government is the target of particular anger in Croatia both because it led opposition to the sending of a 25,000-strong European peacekeeping force and because it opposed immediate recognition of Croatia, which was backed by Italy, Germany and Austria. "We just cannot understand a country like Britain where democracy was born," he said. "You granted independence to third world states which had never formally existed, yet you oppose it for a country like ours in the heart of Europe which was a state ten centuries ago and where the idea (of independence) was supported recently by 94 per cent of voters."

Mr Nobilo, who would be regarded as a moderate by many Croat nationalists, claimed he was not advocating the dispatch of "young British troops" to die on Croatian soil, where military experts judge any effective peacekeeping force would have to be at least 200,000 strong. "What

we are asking for is for you to back similar action to that taken against Iraq. Britain could support measures to defend Croatian airspace and for the dispatch of the United States Sixth Fleet to guarantee the freedom of navigation in the Adriatic."

He rejected as "morally wrong" EC demands that Croatia should extend the October 7 expiry of its three-month moratorium on implementing its independence from the Yugoslav federation.

Mr Nobilo emphasised that he was attacking the attitude of the British government and not the British people. "They have a strong record in the past of influencing their governments to side with democracies and we still believe they will do it again. But it may be too late," he added.

"Because we are secessionist and democratic, we set a dangerous precedent for you. The West sees us running against the trend for more integration in Europe. On the contrary, we say the time has come for small places in Europe to be a part of that integrated continent."



Fighting talk: Dr Franjo Tudjman, the president of Croatia, calling on Croatians to fight with their bare hands for their republic, which declared independence in June

Pearl of Adriatic defies merciless bombardment

FROM ASKOLD KRUSHEVSKY OF THE EUROPEAN IN DUBROVNIK

DUBROVNIK was under intense shelling from land, sea and air when I reached it by boat yesterday under the cover of a thick pall of smoke from blazing pine forests in the hills around the city that had been ignited by the shelling.

Smoke blotted out the sun, leaving the city in semi-darkness. Almost the first person we met in the Pearl of the Adriatic that is rapidly becoming a vision of hell was Martin Berthaud, the leader of an EC ceasefire monitoring group, who has been trapped in the tightening siege. He said: "This is a co-ordinated attack on a city which has no military value by the Yugoslav navy, air force and army. It has been obvious for some time that the ceasefire was a joke, but now I can tell you that the real war, the hot war, has started here."

The ceasefire team has made fruitless efforts to contact Yugoslav army commanders in the area, but they have been ignored. The only communication from the besieging forces has been an order to all Croat fighters in the city to surrender or withdraw. In a city that has been left without electricity, water or telephones, treatment of hundreds of civilian casualties is proving a nightmare for local doctors.

Thirty-seven kidney patients in the main hospital are at risk because there is no power for the dialysis machines. The EC monitors and the Red Cross are trying to arrange the evacuation of the wounded to Italy by sea, across the Adriatic, but Yugoslav naval patrols blockading the port are firing on any boats approaching the coast.

Fighting on the outskirts of the city has been intense and often at close quarters, as federal troops probe the defences manned by lightly-armed Croat national guardsmen. So far the historic centre of Dubrovnik, considered the cradle of Croatian culture, and one of the finest medieval cities in Europe, has not been badly damaged. But villages in the surrounding hills have been levelled by artillery fire and left burning, adding to the many fires raging around us.

Against overwhelming odds, the Dubrovnik police chief, who is co-ordinating the city's defence, said his forces

would be able to withstand a long and bloody siege, despite the federal army's superior weapons. "Our enemies have the technology and the weapons, but we have the morale — we will never surrender," he said. "This is the heart of Croatia, and we will defend it to the last." In an emotional appeal for help to the world, the city's mayor, Pero Poljanec, said: "At this moment, we are, perhaps for the first time in our 2,000-year history, isolated by air, sea and land; the guns are turned against our noble city."

Husain fields new team

Amman — Jordan's cabinet has been reshuffled, with six new members appointed to give the government greater backing for the peace negotiations with Israel later this month (Adam Kelliher writes). The appointments came after the recent resignations of four ministers, who left because they oppose any talks with the Jewish state.

The four complained publicly about government support for the US-brokered peace process, and political sources said that their behaviour had angered King Husain who reprimanded the prime minister, Taher Masi, for not pre-empting their resignations by sacking them.

African 'threat'

Madrid — Jean-Marie Le Pen, leader of the National Front in France, brought his anti-immigration campaign to a meeting of right-wing members of the European parliament here, saying that immigration from North Africa "has only just begun" and could "threaten all European countries with disappearance". (Reuters)

Submarine blast

Moscow — An explosion in a missile launch tube of a Soviet submarine hurled fragments of the launcher into the White Sea off Russia's northern coast but caused no fuel leakage, the defence ministry said. Tass said the explosion was caused by a "technical malfunction". It said there were no injuries. (AP)

Violence mars German unity

FROM IAN MURRAY IN BONN

Immigrants in the east Bonn suburb of Beuel spent the first anniversary of German unity fearing for their safety. The hallway of the Goetheschule still reeks of the burning pullover flung inside a couple of nights ago. There are new locks on the doors and a recently repaired window on the second floor.

More than a year ago the school was taken over to house immigrants from Eastern Europe. Tucked away behind a quiet suburban street, nobody locally bothered about it.

Then, last weekend, a brick was thrown through a window. "We don't know who did it and of course we are worried," said Valentina Vilpov. "The police can find out nothing so we must expect it to happen again." Two nights later, the burning pullover was thrown into the school. The residents were able to put out the fire themselves and there was little damage. But the mood has changed. The Poles, Romanians and Russians who live there are watchful of any strangers and careful to be in by 11pm each night when the doors are locked.

Suburban Beuel does not look deprived. The only graffiti nearby is not fascist but left-wing, urging "Death to capitalism" or telling Nato to get out. Police are convinced that the attacks on Goetheschule are copycat acts rather than the work of convinced racists. That is little comfort to its families, most of whom speak little or no German and who are struggling to integrate in a strange community.

The Goetheschule is typical of most hostels occupied by refugees. Some 73 per cent of all the 500,000 migrants who have arrived in Germany this year, officially

or unofficially, come from Eastern Europe and many are ethnic Germans. Attacks on them are fired by resentment at the social security they are paid and the housing they occupy, rather than by racism. This is in contrast to the attacks on hostels for coloured people, which are largely in the east. Before unity, people from countries with communist regimes such as Vietnam and Mozambique were lured to East Germany to do menial jobs.

After the Wall fell, they were stranded, unable or unwilling to go home, but could no longer find work. They have been the chief targets of the unemployed neo-nazis now organised in the east, who are inspiring copycat groups throughout the country with the wary "Germany for the Germans".

On the day of German unity one year ago, skinheads shouting abuse went on the rampage in Berlin and Leipzig, beating up left-wingers demonstrating against a fourth Reich. The same chants were raised again yesterday when neo-nazis stormed a hostel at Luckenwalde in the east, shortly after it was evacuated as a precautionary measure by its 32 Ghanaian residents.

The most serious incident yesterday, however, occurred at Hönke near Düsseldorf in the west, where two Lebanese children, aged five and nine, were severely burnt after fire bombs were thrown into the bedroom of the hostel where they were staying. At Kassel a group of two dozen men armed with iron bars smashed up another hostel. Police reported at least a dozen other incidents during the day which dampened the official festivities in Hamburg.

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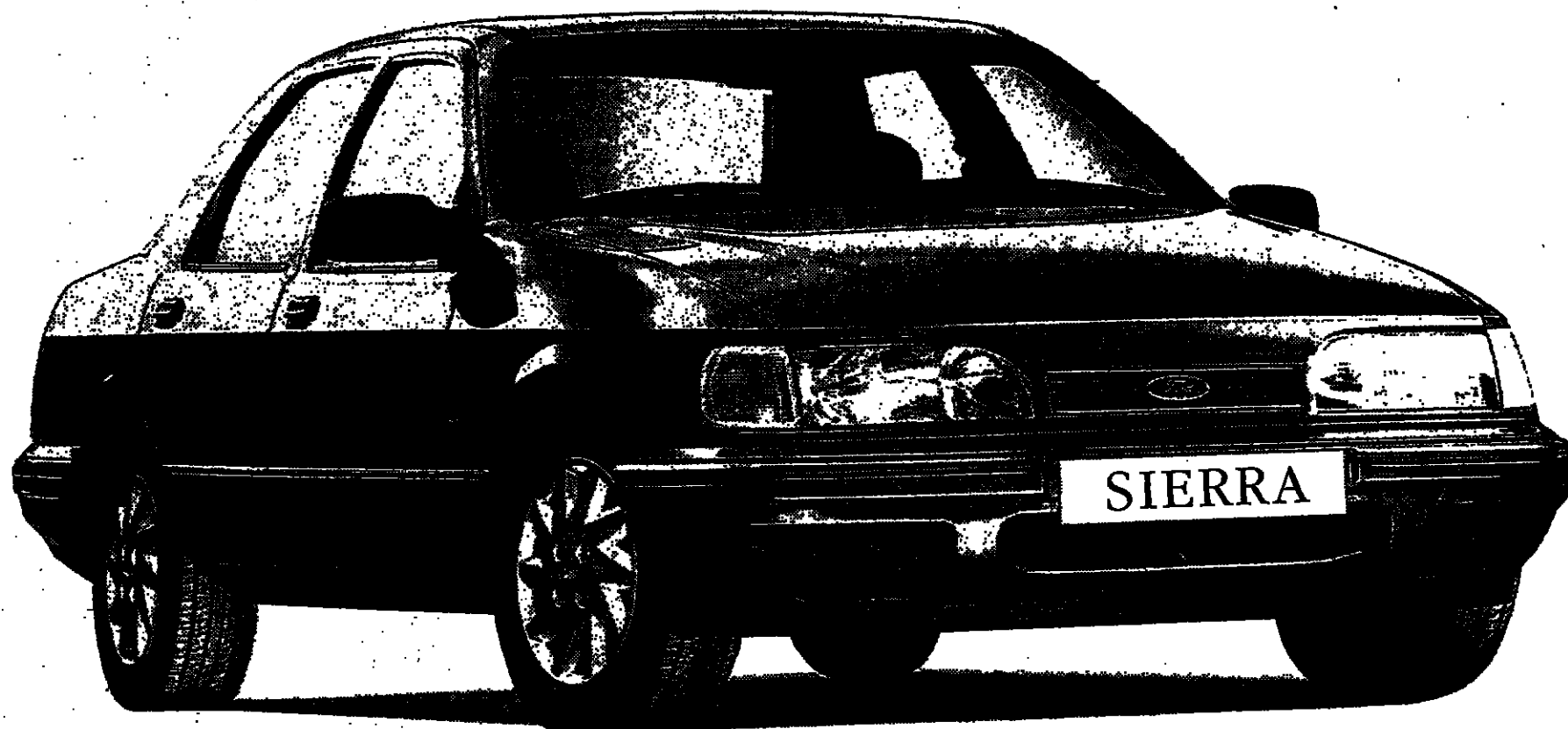
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FROM CHRISTOPHER THOMAS IN DELFT

The gas leak killed at least 3,500 people. More than 500,000 survivors have lodged compensation claims, but large numbers have still received nothing. Those whose claims have not been met have been receiving monthly payments of 200 rupees (£5) in interim relief pending a final settlement, but even this has compensation have not come forward with supporting medical data, in many cases because they are intimidated by complicated bureaucratic procedures. In other cases, the government has not acted because of bureaucratic mix-ups. The exercise has been further complicated because bribed officials have approved

It remains to be seen how the state government of Madhya Pradesh, of which Bhopal is the capital, will manage to distribute the compensation, given the chaotic nature of its efforts to give much smaller interim relief. Large numbers of those claiming compensation have not come forward with supporting medical data, in many cases because they are intimidated by complicated bureaucratic procedures; in other cases, they have not received money because of bureaucratic mix-ups. The exercise has been further complicated because bribed officials have approved

Soon after succeeding Mr. Gandhi in November 1989, the government headed by Vishwanath Pratap Singh announced that it would challenge the "full and final" settlement reached with Union Carbide. It supported petitions to the supreme court to allow criminal proceedings to be opened against the company as well as to give greater compensation. Ginesh Goswami, then the law and justice minister, declared that "life is not so cheap in India that a disaster which affected hundreds of thousands of people can be compensated by \$470 million".

Stairway to heaven: pallbearers heave a coffin up steps to a cemetery in Hong Kong, where traditional funerals are popular despite being abolished in mainland China

FROM JOANNA PITTMAN IN TOKYO

Such self-flagellation has been the leitmotif of the summer in Tokyo financial circles. Mr. Hashida is the ninth senior financial executive to resign in the past year to take responsibility for a scandal. Like the others, however, Mr. Hashida will continue to come into work as normal, but will henceforth carry the business card of an "adviser."

At the top of the agenda is how the two countries can resist Western pressure to make concessions on arms control. South Korea claims that North Korea may just be a year or two from building a nuclear bomb. Kim Yong Nam, North Korea's foreign minister, has refused inspection of his country's nuclear facilities in accordance with the International Atomic Energy Agency guidelines until American nuclear weapons are removed from South Korea. Washington declines to confirm their presence.

Dhaka — The official death toll in Bangladesh's month-old diarrhoea epidemic rose to 1,200, though non-government health workers claimed at least 3,000 had died. State radio said at least 65 people were dying every day in the flood-ravaged north, where air force helicopters have been dropping medicine and water.

Delhi — Five wealthy Indian diamond merchants kidnapped last month have escaped from their captors. They broke free from a house in a suburb of Delhi. The Bombay-based businessmen had been lured to Delhi by a man claiming to represent an Italian company purchasing diamonds. (Reuter)

Yaounde — Cameroon soldiers firing tear gas from helicopters and lorries attacked pro-democracy protesters who rampaged through Bamenda, the western stronghold of opposition leader John Fru Ndi's Social Democratic Front. Two men were killed and 16 people were injured, the state news agency reported. (AP)

By JOANNA PITTMAN

The *maitsuate* flavor can be described only as elusive, a bit like trying to pin down the taste of Edam after eating a chicken vindaloo. Fresher palates might detect an earthy flavor, but it is the whiff of cooked *maitsuate* that makes the earth move for the Japanese. Most see nothing strange about paying

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FROM SUSAN ELICOTT IN WASHINGTON

FROM JAMES BONE IN NEW YORK

be unhappy with what they regarded as blatant interference in the internal affairs of a member state. Britain appeared to be lukewarm.

French diplomats said that they favoured a resolution along the lines of the recent security council measure against Yugoslavia, except that it would not impose Iraq-style mandatory sanctions under the enforcement provisions of chapter VII of the UN Charter. They said that if the security council could not agree to pass a resolution, the general assembly of all 166 UN members would. "There will be a resolution either in the security council or the general assembly," one French diplomat said.

Washington defence officials said that nearly 500 US marines were standing by at Guantanamo naval station in Cuba for possible use in evacuating Americans from Haiti. The troops were flown to the base, less than 250 miles from Port-au-Prince, from North Carolina late on Wednesday. The officials emphasised that no decision had been made to remove any of the up to 8,000 Americans believed to be in Haiti and that the marines were a humanitarian — not an invasion — force.

Leading article, page 17



and several opposition leaders have voiced opposition to Monday's coup that overthrew President Aristide, although for centuries there has been animosity between the two countries that share the island of Hispaniola. Deportations began soon

after world attention focused on reports of virtual slave conditions for Haitian sugar cutters, including children and old people, on Dominican state-owned sugar plantations, although the Dominicans denied charges of abuse. (Reuters)

FROM RICHARD BEESTON IN JERUSALEM
AND OUR FOREIGN STAFF

"Today, I do not see any need to enter into polemics with those who reject the essence of our existence and

FROM SUSAN ELICOTT
IN WASHINGTON

Illinois and Louisiana. Mr Clinton, aged 45, has so-called cross-over potential for the north and south. He also has the advantage of a natural flair for politics, including a smooth style of oratory. But his staff have faced questions about whether his estimated \$200,000 (£117,000) coffer is enough for a national campaign until the selection of the Democratic candidate next July. He raised \$2.6 million for his re-election in 1990.

Sheikh Jaber brings thanks for the war effort and what he hopes is proof of progress in human rights, Michael Binyon writes

Suleiman Mutawa, who resigned with the entire cabinet soon after the emir's return and was not invited back into government, said the exodus of Palestinians and discrimination against those remaining had hurt the Kuwaiti economy and denuded the country of senior management. He criticised the tardiness of the country's leaders to

world's commitment to disarm Iraq. Even if Saddam were ousted, he said a large number of his associates who were guilty of war crimes would still threaten Kuwait. But he did not want to see the country dismembered or split politically. Yugoslavia has shown the disastrous results that

Amman: Mohammad al-Fasi, the father-in-law of Saudi prince and a businessman who supported Saddam Hussein during the Gulf war, has been arrested in Jordan and deported to Saudi Arabia, an official and diplomatic sources said yesterday.

Jordanian security sources said armed police had swooped on an Amman hotel before dawn and arrested the man, who had already been extradited to Saudi Arabia. (Reuters)

el literatu

and Latvia. Her conscience about workers in their road was awakened by a child, *The Jungle*, the report of the Chicago

Gordon has published ten prize-winning books, including her 200 short stories collection entitled *My Son's* novel, *My Son's* by the South African PEN, patron of South African critic of apartheid black majority rule.

"Three of my children, aged four, five and six, are dead," said Dating Serrano, aged 60, the Aeta headman. "The medicines don't suit us. We need to return to our mountain soon for the root crops we eat and our herbal medicines. But geologists say it will be a long time before we can go back to Pinatubo, whose gods they worship."

At the wrecked town of

huge missile rolled through with a noise "like a convoy of trucks". Most homes were abandoned.

Men had found a kind of employment helping to push trucks and buses through the muddy waters. "Our main street has become a river," Guillermo Balingit, the mayor, said. "We may have to abandon Bacolor and build a new town on higher ground."

alleged coup took place.

Mr Hammadi, aged 61, was dismissed as prime minister on September 13 and also lost his seat on the Revolutionary Command Council. No official reason was given. He had headed the cabinet for less than six months.

On July 7, sources close to the United Nations cited Iraqi interlocutors as saying that 18 generals and other senior officers had been

At one school in Baguio, which was briefly, in 1762, seat of the Spanish government in the Philippines, up to 6,000 people are housed. On

the wall of one classroom where six families live, the sign "God Bless our House" is tacked to the wall. "I have no home and no money," said Rosita Macabulos, aged 32, a mother of six. "This sign was the only thing I was able to rescue when we fled from Lahar."

Victim jailed
Johannesburg — Frank Mokwani aged 16, who had been manacled, welded to an iron

the prize

in Johannesburg with her husband, and has two grown-up

Work last night, to publicize book. Gormdier said: "I'm tremendously surprised and had been on the list of candidates for so long I had my fellow South African all been determined to go. They all very much wanted." She is the first woman to be prize for 25 years, since an Swedish writer Nelly

will be presented with the million kronor (\$571,428) on Jan. 10, the anniversary of the philanthropist's arms manufacturing and the commemoration day of the foundation. When future generations want to understand the rise of apartheid, this year's Nobel prize will be required reading to explain the misadventure better than sociology and politics.

Diary, page 16
Leading article, page 17

Tehran — Seventy-six Iraqi officers have been executed after a failed attempt to oust President Saddam Hussein, an Iraqi opposition radio said.

The radio, quoted by Iran's official news agency Irna, said that Sadoun Hammadi, the former prime minister, was also involved in the coup attempt.

"A state of anxiety and revolt reigns in the army in the aftermath of the failed coup," Ina quoted Revolutionary Iraq radio as saying. The radio quoted "military sources" but gave no details of when the alleged coup took place.

Mr Hammadi, aged 61, was dismissed as prime minister on September 13 and also lost his seat on the Revolutionary Command Council. No official reason was given. He had headed the cabinet for less than six months.

On July 7, sources close to the United Nations cited Iraqi interlocutors as saying that 18 generals and other senior officers had been harassed. Un-

ers had been hanged in June for conspiracy against Saddam. The army had made three attempts to overthrow the leadership since the Gulf war, the sources said. (AFP)

Report attacks Nigerian rule

been damaged by the transition programme, in which all independent political parties are banned, former politicians are barred from seeking office and the secret ballot has been replaced by one in which voters line up behind photographs of their chosen candidates, the report says.

Victim jailed

table and his petrol-soaked jacket set alight by a white farmer, has been sent to a juvenile prison for an earlier offence of theft of a television, officials said. His indefinite sentence could last until he is 21. The farmer had paid him 40,000 rand (£8,000) damages to escape a five-year jail sentence. (AP)

Marcos pledge

Manila — The Philippines has pledged full protection for Imelda Marcos, the wife of the late president, Ferdinand Marcos, when she returns home from exile to face trial for fraud. It said it would not arrest her on her arrival and would wait until she had

Fighting fire... San Francisco — A professional fire-eater is trying to convince a US jury that it was residual fumes rather than too much alcohol that prompted police to file drink-driving charges against him. In a court car park, Ted Marschal sipped at alcohol and kerosene mix-

By PHILIP HOWARD, LITERARY EDITOR

With the crumbling of apartheid, this is a politically correct award. For the first time the Swedish academy quoted the words of the prize's founder when it announced the award: "Through her magnificent, epic writing she has — in the words of Alfred Nobel — been of very great benefit to humanity."

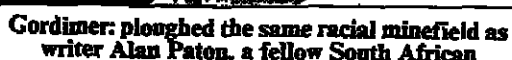
There were cries of "finally" from the room of Swedish journalists when her name was announced. Gordimer is 67.

Since then she has published ten novels and more than 200 short stories. The most recent a collection entitled *Jump* this year, and the novel, *My Son* last year. Three of her previous books were banned by the South African government. She is a member of the African National Congress, vice-president of International PEN, patron of the Congress of South African Writers, and a strong critic of apartheid and advocate of black majority rule.

December 10, the anniversary of the death of the philanthropic arms manufacturer, and the commemoration day of the Nobel foundation. When future generations want to understand the rise and fall of apartheid, this year's Nobel prize-winner will be required reading — and will explain the miasma better than a library of sociology and politics.

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Leaner Nato must be fitter says think tank

by MICHAEL EVANS, DEFENCE CORRESPONDENT

A REDUCED Nato military presence in Germany will be "far from credible" unless intelligence-gathering and logistics improve dramatically, say the London-based International Institute for Strategic Studies.

With no proposing to cut the number of army corps in Germany from eight to five, troops will have to cover a much wider area, a report by the institute said yesterday. Essential requirements for the new force structures would include intelligence collection over a wider area and an expanded in-flight refuelling capability. Concealment and deception would also become more important.

Unless these problems are faced, Nato's reduced military posture will be far from credible and a lack of credibility can only threaten Nato's continued existence," the report said. Without powerful mobility and highly sophisticated command and control infrastructure, European security and defence would be threatened.

In an annual review of the world's military balance, the institute said to one British armoured division staying in Germany under Nato plans would have to be maintained at war strength to be a credible

part of the proposed rapid reaction corps. The report noted that spending on ammunition in the Gulf war was well above the rate envisaged for a European land battle, and that the ground offensive against Iraq lasted only 100 hours. It said the Gulf conflict also underlined a need for stronger European forces than the lightly armed, quick reaction, airborne units usually deployed to trouble spots.

A review of the Soviet Union's strategic weapons arsenal showed that the deployment of rail-mobile SS24 and road-mobile SS25 missiles had continued in the past 12 months, although production of the ten-warhead SS24 stopped in January. At that time 36 launchers had been mounted on 12 trains, deployed at three sites. A further 54 SS24s had been deployed in former SS19 silos.

The institute estimated that about 300 of the single-warhead SS25s had been deployed, adding: "It is reliably claimed that follow-ons to both SS24 and SS25 are under development." Although the number of SS18s, the huge silo-based missiles, remained at 308, more had been modernised with the ten-warhead Model 5 and a new single-warhead Model 6.

President Bush proposed last week to work towards the elimination of all land-based, multiple-warhead missiles. The report said that no new Soviet nuclear-powered submarines had been brought into service, although the seventh Delta IV strategic submarine had been launched. Three new types of submarine-launched ballistic missiles were reported to be under development and the Typhoon class strategic submarine was being modified to take one of these, IIS said.

● *The Military Balance 1991-1992*, IIS, Brassey's £39.95.



Setting their sights high: Ivan Silayev, left, chairman of the Russian economic committee, leaning backwards to catch a glimpse of the rocket launch at Baikonur as the president of Kazakhstan, Nazarbayev Nursultan,

also follows the take-off. An Austrian is a member of the crew. The space centre in the Kazakhstan desert has been struggling financially, but yesterday 12 Soviet republics agreed in principle that they should jointly pay

for the upkeep of base. The move followed the landmark economic treaty signed on Wednesday by leaders of Kazakhstan, Uzbekistan and Byelorussia, according to Tass yesterday.

Patriarch leaves succession hitch

FROM ANDREW FINKEL IN ISTANBUL

DIMITRIOS, the ecumenical Patriarch of Constantinople and first among equals of the Autocephalous church leaders of the Orthodox world, died in Istanbul, the city of his birth on Wednesday night, aged 77, after suffering a heart attack earlier in the week.

His body lay in state yesterday in St George's, the Patriarch church, just above the Golden Horn, where it was attended by 13 metropolitans who will elect a successor after the funeral on Tuesday.

According to Turkish law, they will be choosing a leader simply for the fast-dwindling Greek population of Turkey, who now number no more than 3,000 people. According to their own traditions, however, the synod of metropolitans will also be choosing the spiritual head of the 250 million Orthodox community - a position enjoyed by the patriarch since the split with Rome in 1054.

It is this potential authority of what, in Turkey, is referred to as the phanar patriarchy, which accounts for the suspicion with which it is held not only by the Turks but even rival orthodoxes. Since, however, Mehmet the Conqueror appointed Gennadios Schol-

arios patriarch after the Turks took Constantinople in 1453, subsequent holders of the office have been obliged to live in symbiosis with the Turkish authorities, who even today maintain the right to vet the list from which new candidates are chosen.

Any sympathy between church and state ended after the Turkish War of Independence in 1923, fought against invading Greek armies.

It is a residual fear of some Turkish officials that the patriarch is an instrument of Greek foreign policy or that it will fall prey to the orthodox anti-Turkish lobbies in Washington. When Dimitrios, who with the reputation of a simple and pious man was chosen in 1972, it was precisely because the Turkish government were determined to exclude the more active Melikon, Metropolitan of Chalcedon (an area now part of Istanbul called Kadikoy). It remains to be seen whether the current Metropolitan of Chalcedon, Bartholomew, who is the unanimously elected head of the synod and an obvious choice, will be elected patriarch.

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Saddam executes officers

British officers have been executed in a series of public hangings in Iraq. The hangings were carried out in the presence of a large crowd of people. The officers were accused of various crimes, including desertion and cowardice.

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Bush: proposed missile cuts last week

Warning of unrest as hunger grows in St Petersburg

The five million people of St Petersburg are facing food shortages at a level not seen since the German siege, Charles Bremner writes

While Boris Yeltsin and the leaders of the former Soviet republics wrangle about economic "space", unions and ethnic strife, Sergei Pokrovsky is worrying about how he will get his people through the winter - all five million of them.

The people of St Petersburg are facing the possibility of food shortages on a level not seen since the famine inflicted by the German siege and the days after the second world war. Mr Pokrovsky, a reforming communist and former factory boss, was appointed by Anatoli Sobchak, the mayor, to the daunting task of ensuring food supplies. "We will get to the end of 1991 all right," he says, sitting in his vice office in an elegant old house overlooking one of the city's many waterways. "But what happens from January 1 nobody, not even I can say."

St Petersburg which officially shed its former name of Leningrad only this week, is not the worst off among Russian cities. Mr Pokrovsky points out. In the Pskov area, they are restricting food, that most symbolic of aid, that most symbolic of aid, that most symbolic of aid.

Salvation will come when the city manages to get the new market moving, say local officials. Not much will change until the Russian government takes decisions on how to break up the vast state holdings of farmland and to sell off the shops and industries. In the longer term, St Petersburg hopes to use its "intellectual store-house" and its position as Russia's westward looking window on the Baltic to flourish as the new centre of commercial prosperity. Already the foundations are being laid, somewhat chaotically. In the absence of clear regulations, companies and stock exchanges are springing up all over the city.

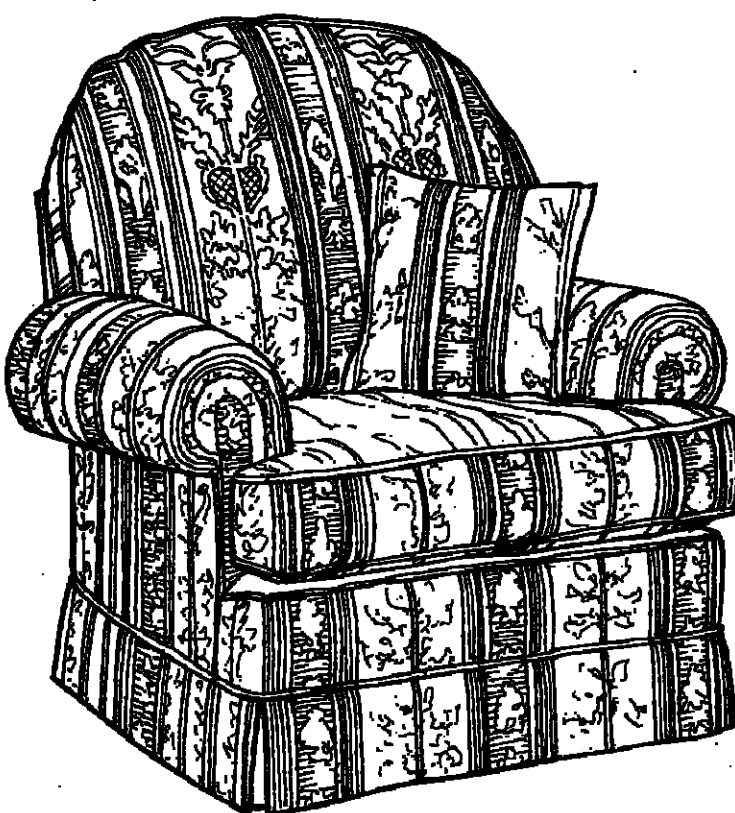
the city and dozens of streets and other objects that were deemed to be tainted by association with the Bolshevik putsch as the once glorious October revolution is now called. City officials talk openly of the possibility of civil unrest. Mr Pokrovsky says hunger and cold could spark a social "explosion."

Sugar, flour, butter, cereals, meat, eggs and cheese are all rationed through a coupon system. Much of the time they are not available anyway. Huge queues huddle in the shabby state shops. The poverty of the state shops contrasts with the bright and expensive abundance in the private stores sprouting up around the city.

The West is rushing aid to the area. More than 35,000 tons of food, medical supplies and clothing have already been sent from the United States and Europe. It is hard, says Mr Pokrovsky, for the proud people of Russia's cultural capital to accept the idea of handouts. He believes future aid should be sold and the money used to help improve the economy.

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Lord Justice Butler-Sloss tells Kate Muir of her influence on a revolutionary piece of legislation

Children will be seen and heard

Off-duty judges are like unopened parcels: it is impossible to guess what will emerge from under the wig. The unveiling of Lord Justice Butler-Sloss, the chairman of the Cleveland enquiry on child abuse and Britain's most senior woman judge, was eagerly awaited. Her reputation in the Court of Appeal is of firmness and competence; she is polite, but unmerciful to obfuscators. In private, warned an aide, she is a snappy talker and definite in her views. In fact, she would be extremely definite if she did not like a question.

Outside her room in a corridor of *Strictly Private* doors, the judges' names are painted three feet long with curlicues on the wall, an investment only possible with low staff turnover. Inside, there is a small woman in a black jacket and white blouse, and a large black Labrador wearing a red collar. The woman is, as *Who's Who* puts it, the Rt Hon Dame (Ann) Elizabeth (Oldfield) (nee Havers) Butler-Sloss. The dog is Minnie. Dispersing fear and cutting through stuffiness and pedantry are Dame Elizabeth's skills. During her nine years as a High Court judge in the Family Division, she enjoyed the informality possible when children's cases were held in chambers. "It is different from open court - I used to make a point of saying something just to relieve the tension in a very fraught child case." She shows a natural interest in the Children Act, which comes into force on October 14.

The act brings together a legal soup of measures relating to children in public and private law and covered by different courts, and puts them in one place, backed by a simple philosophy: the child is paramount. In theory, the act will end night-raids by social workers, "tug-of-love" babies, and keep children, if possible, in the most sensible place for them - at home with their parents. In practice, anything may happen.

Dame Elizabeth considers it a great step forward. She believes the new act, which was seven years in the brewing, was influenced by the Cleveland report. As though giving a complicated judgment, she identifies four strands of influence, the first being the realisation that although there is a great deal of sexual abuse, professionals must take time to identify it.

The second is "recognising a child is a person, and not a package. Children can't be picked up at 7 o'clock in the morning and deposited somewhere else just like that. They are entitled to be consulted to see whether this is the best option for them." Recognition of the importance of family is the third lesson learnt - parents are entitled

to be consulted. "Even a dreadful family at least deserves to be involved in the discussion."

The final point is the interdisciplinary approach of the Children Act: social workers, doctors, police officers and magistrates will meet in committees at child care centres - courts with special family law responsibilities - for regular discussions. "The most extraordinary thing about Cleveland, which almost more than anything else depressed me, was that the director of social services and his deputy met the chief constable and his deputy, identified the problems, recognised it was very difficult, then never met again. The whole thing was an object lesson in failed relationships, and that was among the professionals, not the families."

Despite the fact that the Children Act is a whole new set of rules, some are more about curtailing the law than using it. Judges can decide not to make an order at all even if

parents or the local authority ask for one, if doing nothing is in the interest of the child. "It's totally revolutionary," says Dame Elizabeth, slamming down her tea cup, clearly excited. "It's wonderful. In future parents can make arrangements for child custody themselves with their lawyer and just inform the court of their decision. It will eliminate the 'winner' getting custody and the 'loser' getting access."

The act also has a provision to prevent delay in hearing cases, which may cause the child unnecessary suffering. "I mean no act of Parliament has ever written in that delay is detrimental. It's a marvellous step forward."

The act is consistent with the Conservative philosophy of the active citizen and community care, putting the onus on to the individual rather than a nanny state. Dame Elizabeth should know that: one of her first acts as a young and newly-married barrister was to stand as the Tory candidate in the previously Labour-held seat of Lambeth, Vauxhall in 1959. She lost, but was the cause of much celebrity when it was discovered that her first child was due to be born on election day. Fortunately, he arrived a week late.

She married another young barrister, now the retired judge Joseph Butler-Sloss in 1958, and they have three grown-up children. "One of whom is still living with me," she says, resignedly. Her legal pedigree pointed to fame. Her father was Sir Cecil Havers, the judge who sentenced Ruth Ellis to death, and her brother is Sir Michael Havers, QC, the former Lord Chancellor. The Butler-Sloss family has a flat in the Temple opposite the law courts, and a house in Devon, where Dame Elizabeth spends weekends working



Lord Justice Butler-Sloss: she believes a child should be recognised as "a person not a package"

on cases and walking the dog. The life of an Appeal judge is conducted largely on paper, in contrast to Family work. They spend only four days a week in court, the last is a reading day. "We read for the future and write for the past." She is busy-eyed: "You needn't think your money's wasted."

Absolutely not. Now she works on a bench of three and says, with delight, that she no longer makes decisions, since they are either unanimous or two to one. But, with respect, didn't Dame Elizabeth, who admits that she is indolent, find that rather hard? She smiles benignly. "I had to come to terms with it a bit." Now, she is all praise. The Appeal Court is the most fascinating thing she has ever done. As the youngest judge, and the only woman out of 16 Appeal judges, she must also be shaking their traditions up a little.

The Children Act has also done a bit of shaking up, going where no act has gone before. Senior members of the judiciary, including the Lord Chancellor, attended evening semi-

nars on it, and were lectured by academics, paediatricians and child psychiatrists. The training aspect permeated right down to social workers, who deal with cases at the first instance.

Dame Elizabeth feels social workers generally have taken too much of the rap for various child deaths from battering and for controversy over sexual abuse, and this has made them sensitive and unsure of their position. "We have ended up with social workers in an impossible position: if they take action they're in trouble and if they don't take action, they're in trouble." She says the very existence of these opposite reactions shows the intensity and subtlety of the problem.

With that in mind, the Children Act will for the first time allow children to be fully consulted on their futures if old enough. "I can believe a sensible eight-year-old can give a more valuable account of his views sometimes than an emotional teen-

ager of 14 or 15." Dame Elizabeth says. In addition, a guardian *ad litem* will usually be appointed to put the child's case in court, a buffer between the poorest, most unstable women in the land are found prostituting themselves on this 'blighted' redevelopment plot for small sums of money in order to raise cash for drugs. Part of the male motivation, therefore, might well include the very sleaziness of the transaction. This would also fit into a difficult-to-define area termed the "novelty effect" by behavioural psychologists.

"Beauty," George Bernard Shaw said, "is all very well, but whoever looks at it when it has been in the house three days?" It is also well documented, for instance, that a majority of normal men would accept an invitation to an orgy with a group of strangers, whereas a majority of women say they would decline. Impersonal sex may

When men fall from the keib

Sleaze, danger and the temptation of a new partner can prove irresistible

WITH the resignation of the Director of Public Prosecutions for allegedly keib-crawling in one of London's grimmer red-light zones, we are confronted by several paradoxes about modern male sexual pathology. What sort of men do they do it? Why do they do it? And why do they resort to what must be one of the most cold-blooded and abbreviated forms of sexual contact?

We know that men have found a use for prostitution, and women have satisfied their demands, since before the Greek *hetaira* or temple prostitutes. Few societies have seen women require a similar widespread service from men. The argument is not without flaw, but perhaps something in men has always enjoyed mingling sex and money. Money is power. Men who pay are in control, or believe they are. Paying avoids the necessity of using speech, wit or charm to compete with other males for access to willing females. Some men using prostitutes undoubtedly lack those social skills required for dating and mating.

However, there has always been a group of desirable, successful, powerful men who seem fatally drawn to the potentially scandalous attractions of the street walker. William Ewart Gladstone devoted one tenth of his income and four nights out of seven scouring the streets of the capital waiting to be accosted by prostitutes in order, he alleged, to rescue them. As Henry Labouchere MP commented, he only managed to "rescue the pick of the lovelies". For those who say Gladstone was just a rather high-powered Victorian social worker, it is noteworthy he felt compelled to flagellate himself in the bathroom most nights upon returning home.

But today's "pick of the lovelies", with all respect to the "away-day" girls from Leicester, Manchester and Scotland who patrol King's Cross, are not to be found around a railway terminus. Very often some of the poorest, most unstable women in the land are found prostituting themselves on this 'blighted' redevelopment plot for small sums of money in order to raise cash for drugs. Part of the male motivation, therefore, might well include the very sleaziness of the transaction. This would also fit into a difficult-to-define area termed the "novelty effect" by behavioural psychologists.

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be said to appeal to men because it is hot new and taboo. When men animals (whether rats or monkeys) copulate, their libido seems to depend on this "blumbus" or novelty effect. Experiments with rats have demonstrated that "sexual behaviour was 15 times more frequent during the initial period (encounter than in any subsequent period... If the female is then removed and replaced by another, the full interest and vigour of the male is restored and the rate of coitus immediately elevated to the earlier high level (Wilson and Nias, *Love's Myths*). And



Temptation in the roadside

although men are not rats, sometimes it might be said we copy aspects of their behaviour.

Certainly the rate of human marital intercourse declines after the honeymoon phase. According to Amette Lawson (*Adultery* 1990) some 60 per cent of married men have had at least one affair by the age of 40, which seems to suggest we find a parallel need to secure replacement sex partners simply with the passage of time.

Of course, respectable and powerful men may be caught with their trousers down precisely because they are imperfectly aware of their inner drives. After all, why opt for the highest-risk street sex? Every phone box in central London offers, on average, advertisements from 3 call-girls willing to make appointments, maintain relative comfort and safety. Up-market bedfellows exist. The problem may boil down to the way society refuses to accommodate polymorphous male sexuality into its respectable structures. A man who is a public figure cannot afford sexual scandal. Such a man cannot trust phone lines and courtesans - they might talk. Yet it is as vulnerable as the rest of us to the desire for what you might call "raucous spice". In fact more so, since the greater the proscription, the greater the attraction. Hence the appeal of anonymous and dangerous encounters leading to low-fall, Hince, Sir Allan Green will not be the last.

PHILLIP HOISON



Muscling in: Ultimate Warrior in fighting mood

Whatever happened to wrestlers like Mick McManus and Jackie Pallo? What have grannies been doing on Saturday afternoons since ITV decided in 1988 that old ladies preferred staring at indoor bowls to watching two men grunt in a pre-rehearsed rumba that ended with one or both fighters flat on the canvas (preferably both), one or both fighters being booed by the crowd (preferably both), and one or both of the fighters' managers wearing the referee through the ropes like a pretzel and then slapping him up and down like they do in TV cartoons (preferably *Tom and Jerry*)? Where have those genteel days gone?

Last night, London's Royal Albert Hall hosted the start of a European tour by a new breed of wrestler. Most are American. They have wild and crazy names like Big Boss Man, The Berserker, Ravishing Rick Rude and the Ultimate Warrior. They have somehow captured the minds of Britain's eight-to-14-year-olds.

McManus and Pallo could buy their suits off-the-peg in

Burtons. These new wrestlers look like they were fed on steroids from birth. Some look like Cyril Smith, only twice as tall. Andre the Giant is 7ft 4in high and weighs 38st. Their outfits seem to come from fancy dress rental shops. They jump and scream like you and I might do only if we had swallowed several illegal drugs before entering the ring. They all belong to a privately-run travelling troupe of grapplers called the World Wrestling Federation, whose initials just happen to match those of the World Wildlife Fund. And they all much prefer showbiz to playing the Shoreditch Palais, although the quality of their acting makes even Zsa Zsa Gabor look like a very serious Oscar contender. The most famous among them, Hulk Hogan, the world champion, already appears in Hollywood movies.

Last night's fixture was a rather specialised bout known as the Battle Royal. Behaving even more barmily than is

They've got a hold on us

With a well rehearsed grunt, American professional wrestling has our youngsters in its monstrous grip

usual for them, all 20 wrestlers on the tour climbed into the ring at the same time. Not because they were homicidal and looking for company, but because the idea of a Battle Royal is to hurl all your rivals out of the ring. The last man left is declared the winner.

You might have thought this was an uncommon taste in entertainment. But when 12,000 tickets for tonight's event at Wembley Arena went on sale in August, they disappeared within 56 minutes. It was the fastest sellout ever for that venue, which has also been used by Madonna and New Kids on the Block. The remaining two British performances, in Sheffield and Birmingham, sold out in three hours. Then the boys are off to Barcelona, Paris and finally

Brussels, possibly to show EC diplomats how to settle policy differences with the aid of leotards and the use of the Albert Hall's wrestling ring for a Battle Royal.

This new wrestling mania has flourished in the dark, like mushrooms. It can only be seen on satellite television, although BSkyB, which broadcasts WWF bouts (no, not staged tussles between endangered species of okapi), relies on them for some of its top ratings. The WWF magazine sells 200,000 copies a month in Britain. Merchandising brings in £12 million a year in this country. Children are cleaning out toy shops of Hulk Hogan dolls, tee-shirts, shoulder-pads and watches the way they used to empty them of Teenage Mu-

tant Hero Turtles. WWF videos are hogging high positions in the video sales charts.

"In America," according to a British spokesman for Harvey Goldsmith, which is promoting the tour, "this type of wrestling is the most popular and successful live entertainment. Bigger than pop concerts, bigger than any sport." Television audiences are huge.

"When I was a kid, me and my friends wanted to be footballers. Now they want to be wrestlers. I've heard many stories of parents in Britain having their furniture ruined by kids doing running power slams over the sofa."

You might think that any child caught doing a running power slam over a sofa would be taught a little self-control and sent to bed with something improving to read, like a former Social Democrat's memoirs. But half the audience at Wembley tonight will be indulgent parents chaperoning their eight-to-14-

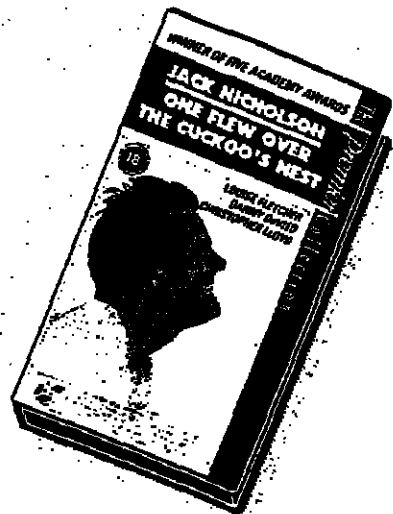
year-olds. Some probably also enjoy the spectacle, which always has a "good man", say Hulk Hogan, against a "bad man", such as Jake the Snake. Nobody dies in the ring. Some crack a rib, or dislocate a shoulder, though not Mr Perfect, who boasts: "I have no flaws. I'm ric and I'm good-looking. Women love to follow me."

The helpful tour spokesman explains that the wrestlers pick a stage name, just in case you thought someone had christened his son Legon of Doom or Macho King and Savage. "Obviously," he adds, "the persona has to match the way the wrestler looks, feels, and likes to perform." For example, when the Irish Bulldog enters the ring, *Land of Hope and Glory* is laid over the speakers. It has Union Jacks on his tights, he wears red, white and blue beads in his ringlets, and he is accompanied by a bulldog called Winston.

But what about Justy Rhoads? Does he cost on stage carrying a yellow uster and a fan of furniture plish?

JOE JOEPH

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GALLERIES: LONDON

Face to face, by royal appointment

Richard Cork marvels at the Queen's illustrious collection of paintings, now on temporary loan to the National Gallery

Windowless and chilling, the empty off-white walls of the temporary exhibition rooms in the National Gallery's Sainsbury Wing looked utterly uninviting when they were unveiled this summer. How could these clinical chambers possibly provide an appropriate setting for the first loan exhibition to be staged there, which is the largest selection of paintings from the Queen's collection shown outside the royal palaces for nearly half a century?

Now that The Queen's Pictures: Royal Collections through the Centuries has opened (see details, right), the answer is, miraculously, yes. I still think the National Gallery was perverse to place these rooms in the dungeon-like basement of the Sainsbury Wing and

British art. Holbein's most commanding full-length portrait of Henry VIII was destroyed in the Whitehall Palace fire of 1698, and his only surviving likeness of the monarch now belongs to the Thyssen collection. But the present show does contain his consummate portrait of Derich Born, a young German merchant in London's Steelyard community. Holbein's virtuoso brushwork encompasses both the brittle detail of Born's embroidered collar and the smooth, glowing fig leaves half-submerged in shadow behind. The sitter emerges with uncanny directness and conviction, while the Latin inscription testifies to the image's verisimilitude: "Here is Derich: Add voice and you might doubt if the painter or his father created him."

After Holbein's death, royal patronage retreated from Renaissance realism and embraced a far more orchidaceous alternative. Ghebrecht's fantastically attired woman, swathed in gossamer drapes festooned with flowers, is as pale as a phantom. She sways unsteadily towards the stag beside her and seems to inhabit a dream region unconnected with the world defined by Holbein.

'After Holbein's death, royal patronage retreated from Renaissance realism and embraced a far more orchidaceous alternative'

Only with Charles I does the collection reassert involvement with European painting at its finest. By the time Van Dyck completed "The Great Peep" (see details, right), a monumental family group with the king, Henrietta Maria and two children, Charles's commission was renowned throughout Europe. Less than a century separates this canvas from the Henry VIII group, but the difference between them is astonishing. Tudor stiffness gives way to informality, with a pet dog pawing at the queen's dress. While retaining his regal dignity, Charles allows his left hand to hang limply. He looks vulnerable as well as commanding, and a later, double portrait by Van Dyck sums up the elegant spirit of Charles's court.

Thomas Killigrew and his brother-in-law both appear to be brooding over the recent death of Killigrew's wife. A broken column symbolises her loss, and the sorrowing Killigrew is unable to concentrate on his companion's attempt to show him a sheet of paper. Charles's taste was not confined to his court painter's refined melancholy, with its strange intimations of the monarch's fate. Rubens was just as much of a favourite, and

his robust landscapes project an earthy dynamism which Van Dyck lacks. Even when Rubens indulges in a fanciful version of *Saint George and the Dragon*, with Charles as the armour-clad hero rescuing Henrietta Maria, he sets the whole caprice in a vigorously handled English landscape with Southwark Cathedral identifiable beyond.

The full extent of Charles's collecting prowess can no longer be represented. Many of the 1,500 works he amassed were sold after his death by Cromwell's Commonwealth. Leonardo, Titian, Raphael and Dürer paintings were among the masterpieces lost to continental buyers, never to return. They now adorn the Louvre, the Prado and so on, and Charles II's attempts to rebuild his father's legendary holdings met with limited success. Even so, some powerful works were rescued. They include Bassano's muscular *Adoration of the Shepherds*, Tintoretto's turbulent *Esther before Ahasuerus* and a



Dark spirits summed up: Van Dyck's portrait of Thomas Killigrew and his brother-in-law, brooding over the death of Killigrew's wife

splendidly flamboyant exercise in self-pity by Allori, who portrayed himself as the decapitated head of Holofernes and his wife Maria as the exultant Judith holding her gory trophy by the hair.

An unexpected collector appears in the 18th century: Frederick, Prince of Wales, the son of George II, who enjoyed a wholehearted love of paintings. But the authorship of his most spectacular purchases, Rubens's panoramic landscape of *Summer* and its counterpart *Winter*, is disputed. Besides, Frederick's purchasing was soon overshadowed by that of George III and, far more voraciously, his spending heir, Specialising in bulk-buying, George III bought an immense collection of Venetian art formed by Consul Joseph Smith. It included over 40 Canaletto, most notably some bracing early works without a trace of the neat predictability which mars so much of his later production.

The great coup was, however, Vermeer's *A Lady at the Virginals*, a cool and pellucid interior which Consul Smith had attributed to van Meier. Vermeer's oblique and measured view of love makes a fascinating contrast with another outstanding Dutch picture, Steen's exquisite *A Woman at her Toilet*. For the figure pulling on her stocking with an expectant glance at the open door is a prostitute. A skull and weeping cherub are among the symbols referring to transience and mortality, but this sensuously handled woman retains her beckoning good humour intact.

George IV bought the Steen, and he commissioned Lawrence to paint an outstandingly sumptuous yet humane portrait of Pope Pius VII. But the staggering amount of money he expended on art did not yield a collection worthy to be set beside Charles I's. As for Victoria, the exhibition says when it comes round to her purchases. However well-regarded Winterhalter, Landseer, Frith and MacIver were in

their day, they compare poorly with the top-flight acquisitions of earlier royal collectors.

The nadir is reached with Tuxen's *The Family of Queen Victoria in 1837*, a saccharine gathering at Windsor which bears a numbing resemblance to a blown-up colour photograph. This anodyne Danish flatterer threatens to bring the show to a bathetic close, but Prince Albert's old-master purchases save the day. Buying at a time when early Italian art was undervalued, he secured a superb Duccio triptych for a tenth of the money his wife lavished on Frith's *Ramsgate Sands*.

Seeing this splendid show in the Sainsbury Wing made me wish, as I left, that it could be made available to us on a permanent basis. Or will we have to wait another 50 years before a comparable array of regal treasures is exhibited again?

Richard Cork has been appointed art critic of The Times. John Russell Taylor will continue to write regularly for this page.

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CRITIC'S CHOICE: GALLERIES

THE QUEEN'S PICTURES See review (left). National Gallery, Trafalgar Square, WC2 (071-839 3321). Daily 10am-5pm, until January 19. 24 (concessions £3). Sponsored by Coutts & Co and National Westminster Bank.

WINDOWS OF OPPORTUNITY Brendan Neilland has derived many striking images from reflections on the glass walls of modern city blocks. More of the same here, but also gloriously untrammelled skyscrapers above Dartmoor.

Brendan Neilland, *Reflections*, Fine Art, 30 King Street, SW1 (071-839 3942). Mon-Fri 10am-5.30pm, Sat 10am-1pm, until November 1.

AT FLOOD The large woodcuts of Tsugumi Ota are frequently storm-tossed sea images, related to her sculptures but more Japanese looking.

Tsugumi Ota, *Lytleton Foyer*, National Theatre, SE1 (071-833 0880). Mon-Sat 10am-11pm, until October 12.

WATER WORKS The regular mixed exhibitions for members of the Royal Watercolour Society notch up their 314th edition. The show, while still on the conservative side, reveals an admirable variety of material. Featured artist is John Ward.

Royal Watercolour Society Autumn Exhibition, Barksdale Gallery, 48 Hoxton Street, SE1 (071-928 7521). Tues 10am-8pm, Wed-Sat 10am-5pm, Sunday 1-5pm, until November 3.

COLOUR WASHED While Vuillard is installed in Glasgow, his great friend and colleague Bonnard has a small but spectacular showing in London. A few paintings, but particularly strong on drawings, which show that this colourist could express himself brilliantly with a little basic black.

Pierre Bonnard, *PI Fine Arts*, 26 Davies Street, W1 (071-493 2630). Mon-Fri 10am-5.30pm, until December 6.

ROOFSCAPE Richard Diebenkorn has been most famous since he settled in Santa Monica for his Ocean Park paintings: pale abstractions vividly evoking the geometrical roofs and smog-diffused light of southern California.

Richard Diebenkorn, *Whitechapel Art Gallery*, Whitechapel High Street, E1 (071-377 0107). Tues-Sun 11am-5pm (Wed to 8pm), until December 1.

DREAMTIME If any one designer invented the Flittes look, it was Piero Fornasetti. His graphic designs on ceramics and masonries still know today how to glitter and be gay.

Fornasetti, *Designers of Decorative Arts*, 24 Rutland Gate, SW7 (071-938 8361). Mon-Sat 10am-5.50pm, Sun 2.30-5.50pm, until January 19.

ITALIAN VIEW The painter/engraver Edoardo Giossone lived in Japan from 1875 to 1898 as adviser to the Royal Mint. He collected a staggering 15,000 prints, scrolls and paintings: these 200 finest are an eye-opener.

An Italian in Japan, *Accademia Italiana*, 24 Rutland Gate, SW7 (071-225 3474). Tues-Sat 10am-5.30pm (Wed to 8), Sun 2-5.30pm, until Nov 24.

JOHN RUSSELL TAYLOR

ARTS REVIEWS Theatre, Dance and Concert Page 20

RECORDS: ROCK

Able and ever-willing

IS THE world ready for another 65 minutes of music celebrating the irrepressible libid of Prince Rogers Nelson? If not, tough, because even on the light-hearted "Sundin", one of the most innocuous songs on *Diamonds and Pearls*, the lad ends up sniggering at "some dirty machine", while there is not even the flimsiest veil of innuendo to protect the innocent from the juvenile braggadocio of "Insatiable", "Gett Off" and "Cream" (is this an old flex tune?). The message is clear: Prince does it a lot and he would like to do it with you, please.

Actually, the album is not all about sex. One song is about money, and the title track concerns love.

Prince's latest group of playmates, the New Power Generation, have stirred him good in the direction of rap, and on "Jughead", the Generation's "lead rapper" Tom M. churns out an imperious spiel in a vaguely Public Enemy vein, which sounds almost as if it belongs on somebody else's album.

Prince & The New Power Generation: *Diamonds and Pearls* (Paisley Park 7599-253792-2)

Bryan Adams: *Walking on the Neighbours* (A&M 397 164-2)

For the most part, Prince himself is in squeaky falsetto mode, peppering songs such as "Walk Don't Walk" with intricately layered harmonies to create his unique style of barbershop soul. Ever the genre-bender, he fits from the metallic guitar soloing at the end of "Thunder" to the township five inflections of "Willing and Able" with energetic glee.

A mercurial and narcissistic collection, *Diamonds and Pearls* is streets ahead of the pneumatic monotony of the *Graffiti Bridge* and *Batman* soundtracks, even if it does not scale the twin peaks of ecstasy achieved with his *Lovesexy* and *Sign o' the Times*.

THERE has always been a rather calculating quality to Bryan Adams's clean-cut, gung-ho rock 'n' roll, but in the past he has injected real

emotion and a pleasing boy-next-door personality into such rabble-rousing anthems as "Summer of '69" and "It's Only Love". However, with *Walking on the Neighbours*, he has sculpted an album of rock that it simply sounds like a cynical exercise in pushing the right buttons.

Producer Mutt Lange must shoulder a share of the responsibility for this. Renowned for his commercial ear and stringent quality control, Lange (who produced the last two multi-million selling Def Leppard albums) takes a co-writer credit on every track. The result is a succession of muscled rockers and bathetic ballads that are nearly all much too neatly styled for comfort.

Incidentally, now that the album is available, one wonders who can possibly still be buying enough copies of "(Everything I do) I Do It for You" to keep it at No 1 for the thirteenth successive week. Whoever they are, would they please stop?

DAVID SINCLAIR



Prince: seemingly insatiable on *Diamonds and Pearls*

RECORDS: JAZZ

High Cs for two, done to a T

FOR a trumpeter, there can be few more stringent tests than playing duets with a pianist. Hitting a string of top Cs in front of a big band is daunting enough; performing without the safety net of a rhythm section demands a rare combination of precise intonation, a keen ear and a sense of drama. No wonder so few players try their hand at it.

That under-rated soloist, Digby Fairweather, passes with distinction in half a dozen tracks with Stan Barker, a sensitive player steeped in the unobtrusive lyricism of Dave McKenna. As for Fairweather, the highest compliment that can be paid is that there are moments - on "Lover Man" and the feathery "Mood Indigo" - when he could almost be mistaken for Ruby Braff. Some listeners might even prefer his more sparing use of embellishment.

The remainder of this compilation consists of accomplished small-group jazz, performed by a supporting cast that includes Brian Lemon and Denny Wright. This brand of infectious mainstream jazz can be heard

Digby Fairweather: *A Portrait of Digby Fairweather* (Black Lion BLC0-780505)

Johnny Hodges & His Orchestra: *Used To Be Duke* (Verve 849394)

weekly at the 100 Club, and we tend to take it for granted. After countless cover versions, "Cherokee" resists any fresh interpretation, but Fairweather's jaunty original "Going Out Steppin'" is a worthy addition to the repertoire.

There are only a handful of

saxophonists who can be recognised in the space of two or three notes. The rich, velvet alto of Johnny Hodges belongs, indisputably, in that select company. The ultimate Ellington sideman, he broke away to pursue a solo career in 1951 before returning to

the fold four years later. Used To Be Duke is fairly typical of Hodges's solo phase, rich in hard-driving blues-based arrangements, yet with a residue of Ellington's worldly sensibility. Hodges was a peerless ballad player. Here he luxuriates in an epic melody which winds its way from "Autumn in New York" to "All of Me". Sheer bliss.

CLIVE DAVIS

GREEN ON RED the best of

Six albums and a decade of brilliance have spawned this classic collection of eleven stunning tracks, many of which are unavailable in any other format



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● AC/DC's show in Moscow last Saturday is likely to go down in history as the biggest rock concert ever staged. Conservative estimates put the size of the audience at half a million, but according to MTV, which filmed the gig, the figure was between 800,000 and one million.

Thirty thousand Soviet militia men patrolled the event, which also featured Metallica, The Black Crowes, Pantera and USSR hopefuls E.S.T. (Electric Shock Treatment). The largest audience previously assembled for a rock concert was at Watkins Glen, New York State, in 1973 when 600,000 fans turned out to watch The Band, The Grateful Dead and The Allman Brothers Band.

● Seal, whose chart-topping self-titled debut has now sold a

cool half-million in Britain alone, begins his first tour at Empire, Sunderland (091-514 2517) on October 20; Edinburgh Playhouse (031-557 2590) October 22; Empire, Liverpool (051-709 1555) October 23; Apollo, Manchester (061-273 3775) October 24; Wolverhampton Civic Hall (0902 312030) October 26; BIC, Bournemouth (0202 237287) October 27; Hammerstein, Odeon, London W6 (081-748 081) October 28.

● Jimi Hendrix, The Rolling Stones and The Beatles are among many vintage acts to be featured on Sounds of the Sixties, a new ten-week television series on BBC 2 starting on Saturday at 8pm. The programme consists of rare archive footage culled from long forgotten programmes such as

Colour me Pop and A Whole Scene Going, as well as more obvious clips from early editions of Top of the Pops.

● A fine singer, a superlative songwriter and one of a handful of truly original guitar stylists, Richard Thompson has long been one of the overlooked treasures of English rock. Now enjoying an overdue measure of success with his *Rumour and Sigh* album, he announces dates at Glasgow City Hall (041-227 5511) on October 31; Newcastle City Hall (091-261 2806) November 1; Manchester University (061-275 2930) November 2; London Palladium, W1 (071-437 7873) November 8; Birmingham Town Hall (021-236 2382) November 4; Corn Exchange, Cambridge (0223 357861) November 5.

CALLS CHARGED AT THE FULL RATE

The echo chamber

Prime ministers get lost in the House of Lords, argues John Grigg

Margaret Thatcher prepared the way for herself by reviving, for Harold Macmillan's immediate benefit, the former prime minister's traditional boon of a hereditary earldom. Macmillan had recommended one for his predecessor, Anthony Eden, but after that the practice lapsed, with the temporary decision by both parties not to award hereditary peerages.

Disraeli, who of course became Earl of Beaconsfield (insisting, by the way, that he be pronounced Beekonsfield, not Beckonsfield), said after his elevation that he was "dead, but in the Elysian fields". In fact he was still prime minister, and very much alive, when he decided to go to the Lords, and he was there for nearly four years of his final premiership. The next Conservative prime minister, Salisbury, was in the Lords throughout his ministerial career.

As a rule, however, Disraeli's not applies. The Upper House is not a chamber from which, compared with the Commons, their voices do not resound. An emboldened former minister in the 19th century said that when speaking there he felt like "a corpse addressing a charnel house".

The first Labour prime minister, Ramsay MacDonald, declined a peerage, and Gladstone, though far from radical in most respects, realised that the name "Mr Gladstone" was worth more than any title. So Attlee's acceptance of a hereditary peerage was rather surprising.

But he was, at heart, a deeply conventional man, and when he no longer needed to pretend to be egalitarian, he gladly availed himself of all the traditional trappings of success. A limerick he wrote late in life about his career says it all:

For few he was even a starter,
There were many who thought
themselves smarter,
But he ended PM,
CH and OM
An earl and a Knight of the Garter.

Curiously, perhaps, in this century, as many former Liberal or Labour prime ministers as Conservative ones have accepted peerages. Churchill stayed in the Commons until he was 80, which was pitiable. In the Lords, senile decay goes almost unnoticed.

The most sensational intervention in the Upper House by any former prime minister was that of the elder Pitt, who as Earl of Chatham had a fatal seizure there while protesting against the British surrender in America. Perhaps Macmillan was hoping to achieve a similar theatrical exit when, in extreme old age, he made two mischievous speeches in the Lords at the expense of Mrs Thatcher, thanks to whom he was there.

Most former prime ministers, however, have taken their peerages for honour and a quiet life, rather than for the opportunity to extend their parliamentary careers in "another place".

Baldwin imposed on himself the rule, which Mrs Thatcher has hitherto regarded, that he would not "speak to the man at the wheel" or "spit on the deck". Mrs Thatcher might consider following Baldwin's example in another way, too, by including her own name in her title, calling herself Countess Thatcher of Finchley (or Grantham) rather than Countess of Finchley.

Her son, Mark, might advise her to do this for his sake, bearing in mind Hilary Belloc's cautionary verse:

Lord Finchley tried to mend the electric
Himself. It struck him dead, and serve
It is the business of a wealthy man
To give employment to the artisan.

Philip Bassett reports on the City showdown that will decide the future of Britain's defence industry

GEC sharpens its teeth

In the office of the managing director of one of GEC's constituent companies, the phone rings. The executive who answers snaps to attention, mouthing silently: "It's Arnie."

Arnie - Lord Arnold Weinstock, managing director of the General Electric Company - is making one of his frequent and unannounced lunges into the company's decentralised empire, asking a question, checking a point, making sure everything is all right.

Although the opposition was yesterday accusing GEC of predatory tactics ("culture change" said one) towards an ailing company, Lord Weinstock's interest in British Aerospace may be just such a defensive lunge, though on a grander scale.

Lord Weinstock fell out of political favour during the Thatcher years, being seen as a representative of an old-style of industry which had to be transformed. But GEC's huge strength in the British defence industry, boosted by takeovers of most of

Plessey and a large slice of Ferranti, has meant the government cannot ignore it.

The government's defence purchasing is now running at £20 billion a year and the industry employs nearly 600,000 non-service personnel, spread around parliamentary constituencies across the country. What happens to the defence industry is of vital interest to British politics.

Both BAE and GEC are big players on the broad hinterland that at once divides and joins politics and industry. For Labour in Brighton this week, GEC's interest in BAE is a gift; for the Conservatives in Blackpool next week, it could be a grind.

BAE finds itself with profits sharply down, calling for cash, and leadership following the election of its chairman, Professor Sir Roland Smith, last week. After

the Gulf war, American defence companies are increasingly confident they will win any new orders in the Middle East, which could destroy BAE's chances of tying down the second stage of its large and lucrative Al Yamamah arms programme with Saudi Arabia. Failure to do so would leave BAE desperately short of money, even if its £432 million rights issue is a success.

The prospect that BAE's difficulties could lead to it being snatched up by a foreign defence manufacturer such as Thomson CSF of France is a worrying one for a Conservative government. It is just as bad for Lord Weinstock. BAE is one of GEC's largest customers. Its principal defence subsidiary, Marconi, supplies the electronic systems which are essential for BAE's aircraft. This market could be destroyed if

a foreign defence company took control of BAE.

A takeover by GEC is a possibility, but an unlikely one, at least at first. Lord Weinstock would like to be "invited in" by BAE for talks on which parts of the company GEC might buy.

Though in different businesses, GEC and BAE have some close similarities. Both, for instance, are key players in the development and retention of Britain's high-technology industry.

Lord Weinstock is unlikely to be interested in Rover, having disagreed with BAE's controversial purchase of it three years ago. Car making would not fit in with GEC's broadly based engineering businesses. That might leave Rover in turn open to outside interests, although Honda's ownership of a 20 per cent slice reduces its attractiveness.

Rover's position may also be protected to some extent by the undertakings given at the time of its sale.

A takeover bid would also have the disadvantage under European law of being closely scrutinised by Brussels. Restructuring BAE through joint ventures may be another possibility. GEC already cooperates with the German electronics giant Siemens, with the US General Electric, and the French train makers Alstom.

Another strategy would be to become the majority shareholder in a consortium holding a minority stake in BAE. This would ensure an influential position from which to choose the company's future management and divest both Rover and its expensive property acquisition, Arlington.

Whatever happens, Lord

Weinstock will not want to see BAE's core defence business go to someone else - particularly not into foreign control. So the threat of a bid is real, even if its principal purpose is to make more attractive a peaceable arrangement between GEC and BAE.

Whatever is said about Lord Weinstock - and his iconoclasm has attracted criticism - no one doubts his formidable intellect and world stature. A successful liaison between GEC and BAE would keep BAE's defence interests British, even at the expense of breaking up the country's biggest manufacturer, and would secure GEC's core business.

For an industrialist who was marginalised throughout the 1980s, irritating the City and government alike by his "old-style" techniques of building up massive cash reserves and refusing to follow the corporate trend towards endless acquisition and takeover, Lord Weinstock is suddenly making ministers and BAE snap to attention.

Peter Riddell looks into a crystal ball and imagines the pundits' verdict on Kinnock's first few months in office

Imagine it is October 1992: Labour conference again. Neil Kinnock is rapturously received. He has brought the party out of the wilderness, even though he heads only a minority government. But there are rumblings of discontent.

Labour won a handful more seats than the Tories in a late spring general election, but fell short of an overall majority, with the minority parties holding 50 seats. The Tories did not vote against the Queen's Speech, and Paddy Ashdown's bluff was called. Another election cannot be long delayed.

Party leaders noted the lessons of the Wilson government of March to October 1974, which turned a minority into a majority, just as Edmund Dell remembered in his book *A Hard Pounding*. "The period of the Short Parliament was devoted to the purchase of votes and the elaboration of White Papers. The votes intended to be purchased were those of sections of the electorate who had a definable need that could be satisfied out of the proceeds of our redistributive taxation system. The White Papers were drafted to comfort other sections of the electorate with the assurance that Labour's policies were not as frightening as they had sometimes appeared."

Labour made fewer specific pledges before the 1992 election than in 1972-4. However, spokesmen had offered many untested hopes for a full parliament, enough anyway to give Conservative Central Office plenty of ammunition. And new ministers were eager for their bills to be included in the first Queen's Speech. There were measures to scrap the last vestiges of the poll tax and the council tax, to set up a new education standards commission, to reintegrate opted-out hospitals, to move towards a national minimum wage, to create a Scottish parliament (keeping the Liberal Democrats and nationalists from forcing an election), and to introduce a freedom

A WEEK IN POLITICS

of information act - all enough to keep the activists happy for the moment.

But there is little money around. In contrast to March 1974, Labour has at least inherited a recovering economy and low inflation. But the Tories have mortgaged any tax dividend from growth in 1992-3 by stretching public spending and borrowing to the limits. There is little cash for the public services. The proceeds of removing the ceiling on employees' national insurance and of raising the top marginal rate of income tax to 50 per cent have been absorbed in increasing child benefit and retirement pensions. Although moaning about higher personal tax rates, business and the City are still not hostile to Labour. John Smith has proved his commitment to maintaining sterling's value in the European Monetary System. This is his main anti-inflation weapon and has helped keep interest rates down. The national economic assessment is largely a waste of time since the unions and business have little to contribute.

Mr Kinnock has turned out to be a conservative head of government. Like most of his ministers he had no prior knowledge of Whitehall, and the Tories did not help by barring the usual contacts with permanent secretaries until six months before the election. And there have been some embarrassing gaffes. But Mr Kinnock has loudly praised the civil service, which has embraced him in return. He enjoys the establishment's praise. There have been a few characteristic gestures: a public holiday on Aneurin Bevan's birthday, a peerage for John Mortimer (Lord Rumpole) and a rumorous Downing Street party for the Welsh rugby team in belated

recognition of their victory in the World Cup - all good material for the tabloids.

Taking advantage of the British presidency of the European community, Mr Kinnock has promoted himself as a statesman, enjoying visits to other leaders and referring often to his friends François and George. He is cautious about agreeing to large cuts in defence expenditure, sought by the 1991 conference, despite growing calls from MPs: "It would be wrong to take risks with the nation's defence."

But tensions are developing. Labour local councils did not like being told by Bryan Gould that there would be only the most gradual easing of the Tories' squeeze, even though he had warned them beforehand. Public sector unions have also protested about the tough Treasury line in pay talks. As yet there is nothing like the left/right split of the 1970s, but a group of ministers -

nearly a third of the cabinet, including John Prescott, Michael Meacher, Robin Cook and, on European issues, Mr Gould - has complained in private about Treasury orthodoxy. Mr Cook has made a coded speech at a Tribune rally about the need to be more radical. Tony Benn tells everyone that the leadership has always betrayed party members, and jokes about David Owen joining the Kinnock government.

Unlike its behaviour in the 1970s, the ultra-left is still on the defensive. Visitors to the 1991 conference were astounded by the changes since the early 1980s: there was a near-universal glow of Europeanism, whereas previously Brussels had been a term of abuse. And electoral reform was no longer a fringe issue. The earlier nastiness had disappeared.

Where, people wondered, had all the loonies gone? A few, in Militant, had been expelled, others had left the party to pursue their obsessions in sectarian or single issue groups, some had dropped out of politics to become consumers, and many had swung behind Kinnockism in the hope of victory. At the 1992 conference, the left is still willing to be loyal in public, but the perennial Labour myth of betrayal never goes away.

Several ministers are worried that the party is not addressing Britain's real difficulties. How is the country to pay for improved public services, the elderly, child care and the new training and technology programme if taxes on ordinary people are not raised? It is all very well talking about the peace dividend and the growth dividend, they say, but these remain elusive.

Too much time in opposition was spent attacking Tory changes. The party should have done more to think about how to respond to the public's rising expectations of standards of health provision; complaining about underfunding was not enough. A few ministers have been heard sympathising with the Conservatives' attempts to improve the efficiency of the public sector by copying market mechanisms. The government, they said, would have to tackle the public sector unions.

It is, of course, wonderful to be in office, but even if Labour were to win an overall majority in the coming election, it would be hard to fulfil all, the promises and satisfy the party. It was easier back in the euphoria of Eighteen in October 1991, dreaming of what it would be like to win, and forgetting about the Tories' strengths. But not all dreams come true. England, not Wales, won the rugby World Cup, despite the tragic opening day upset.

Eyes on the ball

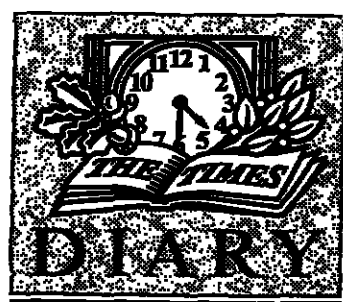
MUCH of the country ground to a halt for an hour and a half yesterday afternoon as the biggest sporting event in Britain for 25 years got under way. Parts of the City were almost deserted. Most of those not lucky enough to be at Twickenham were in front of office television sets.

Tory central office confessed to "divided viewing loyalties" between the rugby and Labour's defence debate. The research department was determinedly monitoring Labour, but the press office's three sets were all tuned to the rugby.

Downing Street was coy about whether John Major watched the game. His car was spotted speeding through the streets of London after visiting Canary Wharf, so as to be back at Downing Street by 3 pm. With Jacques Delors and the Dutch premier Ruud Lubbers not due until half an hour later,

1812... what an overture

the prime minister missed the try but is understood to have enjoyed Jonathan Webb's penalties. At the Labour party conference, numbers of delegates' seats were empty, but journalists had even



less hesitation about their priorities. Ten minutes before kick-off, television monitors in the press room were switched from the conference over to Twickenham. Jeffrey Archer scheduled his whole day around the big match. After addressing a lunch of Holland and Boston Conservatives he went on to Spalding. "I have to confess I went to the Conservative offices, where they had got in a television especially for me, so I could see the first half. I was late for my next appointment because the game was so good," he says.

Even British Rail suffered, with more afternoon cancellations than usual. BR admits it was deluged with applications from drivers and guards to switch their shifts so as to be home in time for kick-off.

Scoop pooped
THE internal inquest into why the BBC did not run the story that John Major had ruled out a November election until several hours after its rivals, reached feverish proportions in Brighton yesterday.

The corporation's management is furious, and the repercussions look likely to have a considerable influence on who succeeds John Cole, who is due to retire from the post of political editor after the election. All BBC staff who were on duty at the Labour conference have been hauled over the coals by John Birt, the BBC's deputy

director general. The débâcle cannot have done much good to the prospects of two main internal contenders for Cole's job, senior political correspondents John Harris and John Sergeant, who were both in Brighton and out of contact when the story broke at 7.30 pm on Channel Four News.

While Birt was angry that a team of more than a hundred at the conference had missed the story, even two hours after it had run on Channel Four, he was even more appalled to discover that the BBC Newsnight team knew at 7 pm but failed to pass the story to the Nine O'Clock News, because they assumed that someone in the news team was monitoring the rival station. This in the week that the BBC current affairs department launched its "Aims for the '90s", which include fostering greater teamwork.

Nadine Gordimer, who won the Nobel Prize for Literature yesterday, has been demoted from her role as ghost-writer of Nelson Mandela's autobiography because her skin is the wrong colour. After objections from ANC purists, she has been relegated to the role of an "informal adviser". Hilary Rubin, who published her first novel in 1953, says: "There was a feeling in Mandela's entourage that the book would be better done by a black person. I am delighted that she has won the prize. It is recognition of her fiery integrity."

In memoriam
VICTIMS of the Marchioness disaster will be remembered in a new orchestral work by Keith Burstein modelled on Benjamin Britten's *War Requiem*. The piece will mix liturgy with lines by Yeats, Blake and Chaucer. There will be a first chance to hear the work at St Bride's in Fleet Street next month, although the full work will not be

premiered until it is performed in St Paul's cathedral in 1993. Burstein is now trying to persuade Andrew Davis, chief conductor of the BBC Symphony Orchestra, to preside over the premiere, which he says will require 300 musicians. Relatives of the bereaved will take part in the performance, reading their own poems.

Mutual respect

WHEN John Major told his aides on Tuesday that he wanted a ring one of the "four greatest men in the world", his staff could have been forgiven if they had reached for the numbers of the White House or the Kremlin.

But the prime minister wanted to speak to Sir Donald Bradman. Major has never met the Australian cricketer, one of his heroes since boyhood, but when he heard that Bradman's wife was recovering from an operation in Adelaide, he was anxious for a report. A close friend of Major's says: "They chatted for about ten minutes. They talked about Lady Bradman and of course they discussed cricket."

Last Christmas, the prime minister received a telegram from Bradman wishing him well, but Tuesday was the first time the two men had ever spoken. In describing Bradman as one of the four greatest men in the world, the prime minister also let slip the name of the other three - Keith Miller, the Australian all-rounder. But who are the other two? The smart money is not on Bob and Gorbachev at all. Peter May and Denis Compton are much more likely candidates.

Just hours before Sir Allan Green was questioned by police for allegedly crawling on Wednesday night, he attended a book launch at London's Grouse Club. The book's title? Trial by Fire.

Patient nearer

ALL those who have been waiting for a new patient nearer to home than the old one, will be pleased to hear that the new patient is now in the hospital. The patient is now in the hospital, and is expected to be discharged in the next few days. The patient is now in the hospital, and is expected to be discharged in the next few days. The patient is now in the hospital, and is expected to be discharged in the next few days.

Hospitals that have chosen to fend for themselves under the health reforms are heading for a bleak financial winter

Shortages of cash bring new threat of ward closures

By JILL SHERMAN AND LOUISE HIDALGO

JUST six months after the health service reforms were introduced, trusts and directly managed hospitals are running into the same financial difficulties as in previous years and there are prospects of ward closures this winter.

A survey carried out by *The Times* over the past two weeks shows that one in three self-governing trusts are already overspent, with several predicting that they will have to turn away patients if they cannot negotiate extra funds.

The survey shows that many hospitals that have opted out of health authority control are freezing posts, cutting agency staff and asking clinical departments to draw up savings measures. A few trusts are planning to close wards to save staff costs while others are desperately trying to attract new business from GP fundholders to boost their income. Directly managed hospitals tend to be faring even worse than trusts, with two-thirds of those contacted already overspending.

Although the internal market was supposed to allow money to follow the patient, this clearly has not happened so far. On the contrary, insensitive contracts and imprecise costings are leading to financial problems in several parts of the health service against a background of rising demand.

In addition, several health authorities are not getting as much income as they expected from extra referrals outside the main block contracts agreed last April.

Some managers anxious for their hospitals to appear as efficient as possible have allowed a faster throughput of patients, ignoring the financial consequences. William Waldegrave, the health secretary, could face another troubled winter as hospitals struggle to balance their books in the months before a general election.

The highest overspenders overall are in London where such hospitals as Guy's and Charing Cross are heading for £2 million to £3 million deficits by the end of the year. Large urban hospitals in other parts of the country, such as Manchester central trust (£1.3m overspent), and specialist centres are also facing deficits. Most of the hospitals estimated that the financial situation would get worse in the second half of the year.

The telephone survey covered 54 of the 57 trusts (three have failed to provide information), and 33 directly managed hospitals, including 22 which plan to become self-governing next April. Eighteen trusts were overspent, 14 were under-spent and 22 were on target. Twenty-one of the di-

rectly managed hospitals, including 13 hoping to become self-governing next April, were overspent, three under-spent and seven on target.

Although six trusts admitted they were likely to overspend at the end of the financial year, the remainder hoped they would be able to honour their statutory requirement to break even. That suggests that at least 11 trusts will have to make significant cutbacks to balance their books at the end of the year.

In almost all cases trusts and directly managed hospitals were treating many more patients than the levels agreed to in their contracts, with increases in caseload ranging from one to 14 per cent. However, because the block contracts agreed last April were based on 1989/90 workloads and were not sensitive to volume, most hos-



Winter threat: a closed ward at Westminster hospital last year. Other hospitals fear the same this winter

pitals are not getting paid for doing more work.

Several hospitals are now trying to negotiate extra payments from health authorities where they have exceeded their contract, but few have succeeded. Southend health-care Trust, Westcliff-on-sea, which is now £150,000 in defi-

cit has just received £250,000 from Southend health authority to cover emergency work. However, it is still heading for a £250,000 overspend at the end of the year. A few trusts, such as St James's University hospital, Leeds, are being paid marginal costs (25 per cent of the full

cost) for each extra operation, which the trust negotiated last April. St James's is on target despite a 7.5 per cent increase in workload and its finance director is confident that the hospital will break even at the year end. East Gloucestershire Trust, is underspent by £500,000 and

predicts an even higher underspend at the end of the year. In contrast Nuffield Orthopaedic Trust, Oxford, was £345,000 overspent on its £20.4 million budget at the end of August.

Health debate, page 7
Leading article, page 17

Managers 'put care second'

TRUST managers are putting business before patient care and failing to consult doctors on the running of an internal market, consultants said yesterday (Jill Sherman writes).

At a meeting of the British Medical Association's consultants committee, doctors complained that managers were seen as "an alien occupying force". Although ministers had made clear that NHS reforms would work only if doctors were fully consulted, members of the 80-strong committee said their views had been largely ignored.

Dr Jim Johnson, a consultant in Merseyside, said managers at Broadgreen Hospital Trust, Liverpool, refused to allow a competing hospital to provide x-ray facilities when its own x-ray department ran into difficulties.

Whiston Hospital, which is directly managed, put together a package to assist Broadgreen, but Dr Johnson claimed that the chief executive refused it. "Looking after sick people is about co-operation not competition," Dr Johnson said.

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Patients referred nearer to homes

ALTHOUGH referral patterns have changed little in the first six months of the reforms, there is evidence that GPs are beginning to refer their patients nearer home when given the chance.

Many urban hospitals, particularly those in London, are receiving fewer referrals than they were expecting outside the block contracts negotiated with districts at the beginning of the year.

A fifth of all the hospitals surveyed said that they were experiencing financial difficulties because the income from extra contractual referrals or from GP fundholders was less than they had expected.

GP fundholders with their own budgets can refer patients where they like. Non-budget holders can refer patients outside contracts if they get prior permission from the district or if they are emergency referrals.

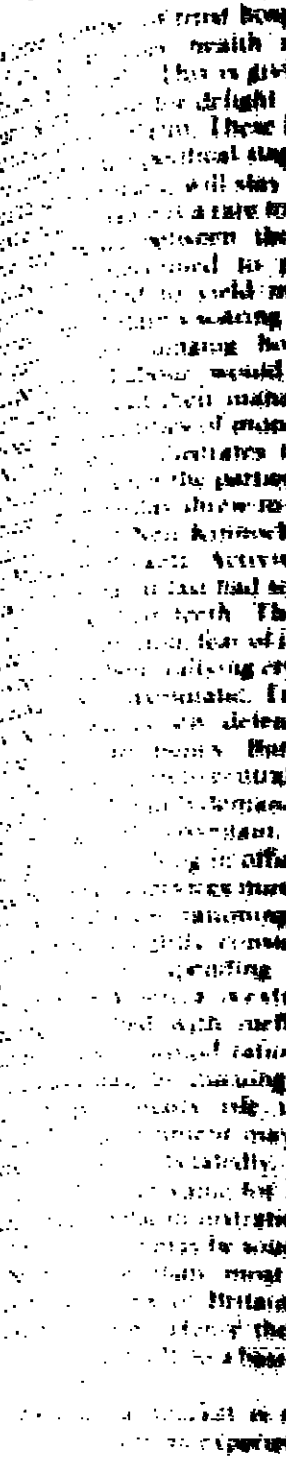
Several hospitals in the survey complained that they had suffered between 20 to 30

per cent shortfalls in extra contractual referrals (ECR). The Luton and Dunstable hospital, which has applied to become a second-wave trust, has received 20 per cent fewer ECRs than expected in the first five months of this financial year.

Instead of the £200,000 expected, representing 3 per cent of its income, it has had £170,000. Funds from GP budget holders, expected to provide 5 per cent of its income, are also down by 20 per cent. The hospital is relying on business to pick up to help it overcome its current £140,000 deficit on its £45 million budget.

Several hospitals complained that GP fundholders were reluctant to spend their budgets. "Income from GPs is generally down in the South Thames area," said the finance director of St Helier hospital, which is poised to miss its £1.2 million income target from fundholders by 30 per cent.

TESTING



Through Traffic

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RADICAL

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TESTING TIME FOR TRUSTS

A large number of trust hospitals, flagships of the great Tory health reform, are in financial trouble. This is giving the Labour party great cause for alarm. These hospitals are at the centre of the political stage and, like the health service itself, will stay there until the next election. Here is a rare topic on which a true gap exists between the parties. The Tories are determined to press on with reforms intended to yield more value for money from Britain's soaring health budget, in part by encouraging hospitals to go independent. Labour would renationalise them and bail out their managements with unspecified quantities of money.

Nothing better illustrates the remaining dichotomy between the parties. The Labour conference yesterday threw to the winds the fiscal caution of Neil Kinnock, John Smith and Margaret Beckett. Activists starved all week of red meat at last had something into which to sink their teeth. The most deep-seated public emotion, fear of illness, had always been a Labour rallying cry. Free health had always been axiomatic. Trimming may now be obligatory on defence, taxation, Europe, monetary policy. But unrestricted spending and a return to central planning for this greatest of Britain's demand-led services is still the ark of the covenant.

Any government long in office knows this is reckless. Health services must be rationed somehow. In Britain, rationing by charging the consumer is rightly considered anathema. Unrestricted spending via private insurance, as in America, is extravagant and increasingly riddled with inefficiency and unfairness. Labour would ration health the way it always has, by queuing and by the favouritism particularly rife in London's hospitals. The government may take credit for seeking, however belatedly, a fairer way that also yields more value for money after four decades of maladministration. Britain's public health service may be sound, and may yield better value than most equivalent services abroad. Few of Britain's hospitals can make that claim. Hence the validity of the trust principle, built on a basis of internal transfer pricing.

The new internal market is revealed by today's *Times* survey as experiencing acute

teething troubles — though whether these troubles are different in kind from those familiar in years past is doubtful. The independent trusts are just starting. Managers are feeling their way, eager to get customers, treating more patients than they bargained for, cutting administrative corners and painfully discovering how over-manned and over-bought many of them have been for years. A third of the trusts are in financial trouble and may give the government some excruciating headlines before the winter is out. Some adaptation of the contract system, the core of the internal market, may be necessary in time.

Labour clearly has every incentive to misrepresent this, as conversely do the Tories. The trusts are "opted out" of district health management, though not of the health service. And they are indeed expected to be run on commercial lines, including making a return on their property assets. Their function is not to make profits (except profits for consultants and drugs companies) but to identify inputs and outputs and seek to match spending to better health. They should be able to offer doctors, and through them patients, a better service. By avoiding the waste of insurance-led systems, plagued by defensive medicine and monopoly pricing, the hospital budget overall should yield more "health per pound".

Labour knows this is sensible. The party knows that in office it will have to adopt a similar control, if only to save Robin Cook's reputation from the Treasury jackals. Yet Mr Cook will not say how he would ration resources. He and his leader imply that money grows on trees, that they will "restore the underfunding of the health service", a phrase devoid of meaning. The curse of British politics is that bipartisan debate on matters such as health and local government is considered bad form.

Luckily for the health service, the government is in no real dilemma over this. It cannot go back, only forward. But it may still have to pay dearly for Margaret Thatcher's ten years of hesitation in tackling the health service, by throwing money at its budget in advance of the election. But at least it is on the right track and Labour is not.

RESCUE FOR HAITI

If ever there was a case for measured foreign intervention in the internal affairs of a sovereign state, it must be Haiti. A democratically elected president has been overthrown by military thugs intent on preserving their privileges, power and licence to plunder at will this impoverished and benighted nation.

Making no pretence of upholding democracy, trigger-happy troops, acting with the arbitrary savagery of the old Tontons Macoutes, are shooting down civilians, looting property, commandeering cars and terrorising the urban poor who voted en masse for the deposed president, Jean-Bertrand Aristide. With cynical talk of "guiding the ship of state into port" General Cedras has defied the Haitian people, the democratic spirit of the times, the Organisation of American States, President Bush's new world order and the United Nations — which only last week applauded the young priest-president's ringing commitment to decency and democracy in Haiti. President Aristide has called for help.

The world is less tolerant of dictators nowadays. But actions to back world disapproval — resolutions of condemnation, continued recognition of President Aristide, suspension of all international aid — may make insufficient impact on the men who swagger through the presidential palace. And cutting off all aid would kill off those few projects that keep this poorest nation in the Western hemisphere above the starvation line.

Only the Americans have the means to intervene more decisively. Three times in the past decade the White House has sent a military task force into its backyard, ousting the rulers of Grenada and Panama, and doing its best, albeit by proxy, to topple the Nicar-

aguan Sandinistas. Even since President Monroe promulgated his famous doctrine, Washington has had little compunction about intervening south of the Rio Grande when it felt its interests were at stake. Until recently this meant when pro-American governments, democratic or not, were threatened by communist or left-wing forces.

Now America's interest, as propounded by President Bush after the Gulf war, is to make the world, certainly the Western hemisphere, safe for democracy. It is one the Russians are ready to support. President Aristide is a democrat. His electoral rhetoric was uncomfortably anti-American, but since assuming office he showed himself pragmatic and ready to heed the advice of world bodies such as the International Monetary Fund.

Swift and massive military intervention on the Grenada model is ill-advised and anyway probably too late. But a gradual increase in pressure — in effect creeping intervention — is required if the junta is not to consolidate its power. Nothing need at this stage be too explicit. Already the new rulers can see the total ostracism proposed by the United Nations and the Organisation of American States. Most Western countries have already suspended aid. The dispatch of 400 American marines, ostensibly to protect the 7,000 American tourists in Haiti, is a veiled threat of further action.

This graduated response should have as its firm aim the restoration of President Aristide, perhaps with a promise that he would hold elections soon. The junta might yet be persuaded that it should bow to such a face-saving formula, in the hope that the leaders can salvage something from their stupidity. Just to recognise their *fait accompli* would be a defeat.

RADICAL RECOGNITION

For once there need be no arguments about whether the 1991 Nobel prize for literature was bestowed on a worthy laureate. Nadine Gordimer, this year's winner, has a good claim to be South Africa's most distinguished living novelist, and the Swedish academicians already had her in their sights in 1974, the year she won the Booker. Miss Gordimer deserved her prize for the literary merits of her works, not because she was a woman, nor because she was a supporter of the African National Congress. Nor, though she is 67, is her prize in belated recognition of distant achievements: her latest novel, *My Son's Story*, appeared last year.

Compared to other well-known South African writers, such as the late Alan Paton or the Afrikaner André Brink, Nadine Gordimer seems almost too insulated. What does a well-to-do resident of a smart Johannesburg suburb know about the black struggle in *July's People* with whom a white servant in *Burger's Daughter*, the communist activists in *A Sport of Nature*? But her background explains much. Her grandparents were Jewish cockneys and Latvians, her father was a jeweller in a goldmining town, her second husband was a refugee from the nazis. All were outsiders.

Nadine Gordimer calls herself a radical — she cannot admit "liberals" — whose lifelong political commitment to the cause of black South Africans has become more open over the years. She is close to Nelson Mandela. For all its literary justification, the award of

this prize this year to this writer is not unproblematic. Had she received it in an earlier year, with apartheid still in place and the campaign against it still the centre of attention, the political message would have been clear. Now with apartheid repealed and F. W. de Klerk negotiating with opposition groups about a new constitution, the Nobel prize committee can perhaps rest on its laureate's literary merit alone.

Many South African intellectuals, among whom Nadine Gordimer is pre-eminent, previously challenged the negative stereotype of South Africa's white community as uniformly conservative. They did not flee, but stayed to keep the flag of dissent flying over desperately barren soil. Their country's future is now infinitely complex. Its cultural elite has a new responsibility to interpret fast changing events, to cool irrational rebellion as well as to oppose bigotry.

Whether Miss Gordimer is likely to accept this responsibility has yet to be seen. In a *Times* interview last year, she was asked if she feared that the increasing "power of the black man to abuse his fellow African" might one day cause her to feel revulsion against her life's work. "My dear, it's perfectly possible," she replied. "Very often we support change and then are swept away by the change. I think that you just make your own response to your own generation. A response adequate to your time." That is a fitting apology for a Nobel novelist, even if the time has come in the new South Africa for a new generation of Gordimers.

Preserving rights of asylum-seekers

From Mr Louis Blom-Cooper, QC, and others

Sir, The need to preserve the rights of asylum-seekers was never more urgent. The changes in the law which the home secretary is proposing to introduce in the next session of Parliament, and further explained in his recent Bar conference speech last week (report, September 30), are deeply worrying. If enacted, they will profoundly alter this country's tradition of affording haven to refugees.

The granting of asylum to refugees has been a feature of civilised societies from the days of the ancient Greeks. Today it is an honourable part of international law. A clear definition of a refugee is to be found in the 1951 convention relating to the status of refugees extended in a 1967 protocol.

The United Kingdom is a party to that convention. It is not, however, part of our law and is applicable only in the implementation of our immigration rules. These rules do not provide a procedure for establishing refugee status. In reality even those who meet the requirements of the convention may not be granted asylum. The UK immigration system is certainly not fully implementing the convention.

Yet the government is now proposing a series of restrictive measures that will further limit the granting of asylum. These include a "fast-track" system that will deny to some applicants even the chance of an oral hearing.

The government should cease to play shamelessly on the public's fear of foreigners. Asylum is a moral commitment as well as an international legal commitment. If we do less than the convention requires, it will mean a betrayal of some of the finest and bravest people in the world, as well as of a decent society in Britain.

Yours etc,
LOUIS BLOM-COOPER,
DAVID L. ASTOR,
MICHAEL CAMPBELL-
JOHNSON,

DONALD ENGLISH,
JANE EWART-BIGGS,
HUGO GRYN, RONALD HOAR,
ROBERT MACLENNAN,
H. PINTER,
RICHARD OXON,
In Defence of Asylum,
78 St Charles Square, W10,
October 2.

Jumping the gun

From Mr John Hart

Sir, The free world has every right to be underwhelmed by the Greek government's celebration of 2,500 years of democracy (*Diary*, September 27): they are two years too soon. The Athenian democracy was set up in 508 BC. What actually happened 2,500 years ago (in 510) was that Athens's tyranny was replaced, but not by a democratic government. For full details, see Herodotus's *History*, 5.55-73.

I suspect, however, that like many schoolchildren the Greeks have added the AD and BC dates together and added one instead of subtracting one (there was no year 0); in ancient Athens, mathematics was very strong.

Yours faithfully,
JOHN HART
(Senior classics master),
Malvern College, College Road,
Malvern, Worcestershire.

Funds for wildlife

From Mr N. S. E. Martin

Sir, It interests me that the World Wide Fund for Nature has turned down the proceeds of a sale of stuffed birds, which would probably have amounted to some £20,000, because they have to be careful from whom they accept money (*Diary*, September 28).

In August, Chessington Zoo offered to raise funds for the WWF to assist with the preservation of wilderness areas in the world. We expected to raise several thousand pounds a year but were told that they would feel unable to accept the money as we were not a recognised conservation centre.

We found this surprising. The local branch of the WWF has occasionally collected money at Chessington Zoo. We have also raised £16,000 in the last 18 months to support the Digi Fund, the project helping protect mountain gorillas in Africa, and indeed have many endangered species at Chessington as part of captive-breeding programmes.

Needless to say, we are raising money to support the preservation of wilderness areas, but another organisation will be benefiting from our efforts.

Yours etc,
NIGEL MARTIN
(General Manager),
Chessington World of Adventures,
Chessington, Surrey.

Political costs

From Mr John E. Strafford

Sir, In calling for government funding of political parties, Dr G. K. Williamson (September 30) writes: "We are approaching the position where candidates may appear only if some powerful undemocratic rich lobby chooses to support them." This is true of the Labour party where many candidates are sponsored by trade unions. It is not true for the Liberal Democrats or the Conservative party where there is no connection between those that provide finance for the parties and their MPs.

Dr Williamson thinks that membership fees and individual fund-raising events are collapsing in the Conservative party. In my own constituency of Beaconsfield in 1979 approximately £30,000 was raised. In the last 12 months Beaconsfield has raised approximately £180,000 of which over £50,000 was in membership subscriptions at an average of £12 each. This has been achieved by an organised professional approach to fund raising. It has necessitated close contact with the electorate by use of modern methods, including computers and direct mail.

Optimism for future of Ethiopia

From the Chairman of the Relief Society of Tigray

Sir, The damage done to Ethiopia by the Mengistu dictatorship cannot be understated, but I believe that your leader "The blind aiding the blind" (October 1) did not reflect a certain optimism now felt in Ethiopia, despite the severity of the problems the country faces.

For the first time in its history, Ethiopia has a government committed to the holding of democratic elections. The cabinet of ministers, with eight nationalities represented, reflects the ethnic diversity of the country.

The national charter adopted by the transitional government, based on the Universal Declaration of Human Rights of the UN, guarantees all the basic freedoms and also the rights of Ethiopia's many nationalities. The Ethiopian press, TV and radio have been opened up to free debate. The new economic policy proposal by the transitional government, guaranteeing a private sector, has been presented for discussion throughout Ethiopia and among Ethiopian communities abroad.

The wars that have crippled the country for 30 years have ended. While insecurity continues in areas where traditionally there has been a problem, the new government is seeking to resolve disputes by discussion rather than by force. The political prisoners held by the old regime have all been freed; members of the old regime who have been arrested will face charges in open court and are being held in humane conditions, with access to their families and visits by the Red Cross and Amnesty International.

Within its limited capacity, the government is working with the UN and voluntary agencies to get relief supplies to those in need. Donated grain cannot be moved fast enough, because there is a desperate shortage of trucks and spare parts.

Under the feudal monarchy of Haile Selassie and the military dictatorship which followed, the people of Ethiopia were unable to realise their potential. With a voice in how the country is to be run and

consequently a stake in the future, they are now entering the most hopeful era in Ethiopian history for decades and it is to be hoped that the international community will help Ethiopia on its democratic path by providing both the emergency and development assistance the country needs.

Yours sincerely,
SOLOMON INQUAI, Chairman,
Relief Society of Tigray,
UK Support Committee,
211 Clapham Road, SW9,
October 3.

From Mr Tony Vaux

Sir, Your leader writer's comments on the current situation in Ethiopia are misleading, given the record so far of the new government there.

For many months now record amounts of food aid have been passing through the Ethiopian ports and have been successfully delivered to famine areas. The new government (which already had a remarkable record of delivering aid to Tigray during the war) has placed a very high priority on this and relief operations have been running remarkably smoothly.

Just at this moment there is a problem at the port of Assab. This is not the fault of the Ethiopian or Eritrean authorities, but largely because so much food has arrived all at once. This reveals plentiful good will but a lack of necessary co-ordination on the part of the donor governments which supply the food. Trucking has also been reduced due to local security problems. However, such problems have proved to be the exception, not the rule. They are temporary and are being solved.

Having just returned from Ethiopia I have also seen how the government and people there are making remarkable efforts to overcome the long and dismal legacy of war and the anger and hatred it generated. Good news is rare enough. It should be acknowledged where it exists.

Yours sincerely,
TONY VAUX
(Oxfam emergencies co-ordinator),
274 Banbury Road, Oxford,
October 2.

Forgiving Japan

From Major-General I. H. Lyall Grant

Sir, After the Russo-Japanese war of 1905 the Japanese received wide acclaim for their exceptionally humane treatment of the prisoners that they captured. Their record in world war two was very different.

The brutal, inhumane and humiliating treatment accorded to many British prisoners of war and civilians (Sir Bernard Braine's letter, September 30) has marred Anglo-Japanese relations ever since. None of those who suffered can forget and many, understandably, find it difficult to forgive.

Nevertheless the Japanese people received in expiation a terrible punishment, as those who visited the country at the end of the war can testify, and individuals held responsible for specific war crimes were executed. Moreover, Japanese crimes were certainly no worse than those of our main opponent and scarcely in the same league as those of one of our major allies.

These two nations have both been forgiven and surely it is time that the Japanese, with their many admirable qualities, were made equally welcome. At least this is what a growing number of those who fought against them in South-East Asia now believe.

Yours faithfully,
I. H. LYALL GRANT
(Chairman, Burma Campaign Fellowship Group),
6 St Martins Square,
Chichester, West Sussex.

From Dr R. John Pritchard

Sir, I endorse Sir Bernard Braine's suggestion for a sensitively structured, Japanese-endowed foundation, dedicated to the care and treatment of Britons still suffering

from the effects of Japanese ill-treatment during the second world war. Such an endowment would help the present generation of Japanese to join with us in honouring the debt owed to these British servicemen and their families.

The British exchequer should not be the beneficiary, but any savings that accrued to HMG could be applied to direct compensation for the 17,000 or so surviving Far East POWs, widows and civilian internees. Compensation of £10,000 apiece would equate to a pension of no more than £200 for each of the 50 years that have elapsed since Pearl Harbour.

There are compelling grounds to suggest that the foundation be used to supply private medical care through existing health contractors, such as BUPA. The Japanese Red Cross, founded by the Meiji aristocracy (Florence Nightingale was one of its earliest patrons), might form an appropriate vehicle for the endowment.

Sincerely yours,
R. JOHN PRITCHARD,
King's College London,
Department of War Studies,
Strand, WC2,
September 28.

From Mr Christopher Hart

Sir, The debt of honour owed by the Japanese and mentioned by Sir Bernard Braine has already been repaid. It was repaid from the air in March 1945 at Tokyo and in August 1945 at Hiroshima and Nagasaki. The Japanese look upon those incidents with the same horror as we do with their mistreatment of our prisoners. Time to call it a draw?

Yours faithfully,
CHRISTOPHER HART,
1 Churchfields, Laffouder,
Mullion, Helston, Cornwall,
September 30.

Ships that fail to pass

From Professor Glanville Williams, QC, FBA

Sir, Philip Howard ("... and more over", September 28) tells us that "some languages such as Greek and Italian used the third person singular as a formal way of addressing the second person". One language, our own, still does, when it is a matter of addressing a judge in court.

To say "you" to a judge would be thought impolite. "As your lordship please" — as though the judge's lordship were some invisible halo hanging over him, which does, thinks and says everything on his behalf. "If your lordship would be good enough to..." It is not the judge who is requested to be good enough, but the judge's lordship.

In legal writing this lordship is so worshipful that it even attracts a capital L. But lawyers have now accustomed themselves out of court to eliminating the ships and saying or even writing "the learned judge" or even (very bravely) "the judge".

In the highest court of all stiffness still reigns. For nearly all lawyers the Law Lords (with their ships) absolutely must have capital Ls. And whereas one can say "the judge did not address the question whether..." to say "his lord did not address the question whether" is still taboo. It must be "his Lordship".

Yours faithfully,
GLANVILLE WILLIAMS,
Merrion Gate,
Gazeley Lane, Cambridge,
September 28.

Government funding will kill individual effort and initiative and make political parties more remote to the electorate. The Labour party needs to shake off the shackles of the trade unions block vote and sponsorship. The Conservative party needs to be democratically accountable to its members. Government funding will take the pressure off the necessary changes and democracy would be the poorer for it.

Yours faithfully,
JOHN E. STRAFFORD
(Chairman, Beaconsfield
Conservative Association 1985-90),
Fernana, Fulmer Road,
Gerrards Cross,
Buckinghamshire,
September 30.

Classroom fit for modern teacher

From Sir Graham Hills

Sir, I was amazed to see the picture of Mr Kenneth Clarke (Education, September 30) standing smiling in front of an ancient blackboard covered in beautifully executed chalk writing, putting, in words, some arithmetical problems. Apart from the presence of the secretary of state, the picture could have been 100 years old or, if photography had been invented earlier, 500 years old.

The coming of the book was a great opportunity to deliver us from most of the tasks of the scriptorium. The coming of the overhead projector and the copying machine enables the teacher to distribute notes and written questions in exact and clear text. The consequential saving of the teacher's time and energy can then be deployed to promoting the pupils' understanding of what is before them.

It is essential to reduce the mechanical aspects of the transfer of knowledge by utilising the new means available, such as the book, the transcript, and not last the moving picture of television which I believe is here to stay.

The prime purpose of a teacher is then to address the abundant misunderstandings of the individual pupil or student, almost irrespective of the content and quality of the knowledge base confronting them. That requires effort and dedication that is otherwise wasted on habits totally unchanged since the Middle Ages.

Yours faithfully,
GRAHAM HILLS,
Sunrise of Threepwood,
Lough Threepwood,
Beith, Ayrshire,
September 30.

Books for A level

From Miss Jennifer Long

Sir, I have recently achieved an A grade at English A level and it was not my experience that sixth-form students will go to the lengths described by Mr James Coen (September 25) to avoid reading a prescribed text, whether it is *The Day of the Jackal* or *Murder in the Cathedral*.

Through the judicious use of video adaptations our teachers helped us to a realisation of the proper value of texts and the perils of relying on the interpretation of a film-maker or, indeed, the author of a study aid.

The teaching was also sufficiently rigorous to ensure that more than "good intentions" were required to complete the course.

Yours faithfully,
JENNIFER LONG,
4 Ridgeman,
South Benfleet, Essex,
September 26.

Road accident figures

From Dr Mayer Hillman and Dr Michael Carley

Sir, The good news about reduced road accidents (report, September 27) should not be allowed to obscure the fact that this has been achieved, in part, at the expense of the freedom and mobility of pedestrians, especially children.

The Policy Studies Institute report issued in February, "One False Move...", showed that in 1971 80 per cent of seven and eight-year-old children went to school on their own, without an adult escort. By 1990 that proportion fell dramatically to 9 per cent.

In contrast, a comparative study in Germany carried out in the same year, revealed that 60 per cent of children of the same age were still able to go to school without an adult escort.

The large majority of children in Britain are escorted to school by adults chiefly because their parents fear the increased danger to which they are exposed on the roads.

The number of child deaths on the roads has fallen because the roads have become more dangerous not because they have become safer. The contrast between these findings and the official claim that, "We are probably the safest country in the world" serves only to demonstrate how inadequate are road accident figures, on their own, as a measure of road safety.

Yours etc,
MAYER HILLMAN,
MICHAEL CARLEY,
Policy Studies Institute,
100 Park Village East, NW1,
October 1.

Middle-age spread

From Mr Jeffrey Robinson

Sir, You report (September 28) the tragic deaths of two "elderly" residents of a tower block which has now been refurbished. Later your reporter reveals their ages to be 54 and 57. At the age of 48 I may be over-sensitive but I would like to know what has happened to the description middle-aged.

Yours faithfully,
JEFFREY ROBINSON,
46 Grange Gardens,
Llantwit Major, South Glamorgan.

Missing link

From Mr Michael Cryer

Sir, In their television advertising British Rail boast of 28 trains each day to Newcastle and 27 back. Does this explain Network SouthEast's shortage of rolling stock?

Yours sincerely,
MICHAEL CRYER,
14 Aldersmead Road,
Beckenham, Kent.

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THE TIMES BUSINESS

FRIDAY OCTOBER 4 1991

Business Editor
John Bell

Day goes on attack against City attempts to force partial break-up

Bae condemns 'third party' interference

By ROSS TIEMAN, INDUSTRIAL CORRESPONDENT

SIR Graham Day, chairman of British Aerospace, last night bitterly condemned efforts within the City to force a partial break-up of Britain's biggest manufacturing company.

Despite widespread indications that the General Electric Company was prepared to intervene to speed the restructuring of Bae, Sir Graham said Bae was not in discussions with a potential bidder. The company would stick to its own strategy, he insisted.

Sources close to Bae indicated that Sir Graham, appointed temporary chairman in place of Professor Sir Roland Smith, was "determined to see this through, even if it takes a year or more".

In a statement released at the insistence of Sir Graham after the Stock Exchange had asked both companies for clarification, Bae said: "The Company has received indications that the speculation is being encouraged by third parties whose interests may differ sharply from those of the company, its shareholders, customers and employees."

Sir Graham added: "The board is absolutely united behind the strategy which we announced with the rights issue." He pledged: "We will resist vigorously any attempts which prove not to be in the interests of shareholders, customers and employees to divert us from this programme."

His comment appeared to leave the door open to proposals for joint ventures in specific businesses. But it was clear he will resist any attempt to break up the Rover cars to Tornado jets group.

Sources close to Bae pointed to the immense difficulties that any external break-up attempt would face. Bae is protected by a government "golden share" that limits individual holdings to 15 per cent. Any attempt to sell Rover, the carmaking subsid-

iary, before August 1993 would need the consent of the trade department, under terms agreed when Bae bought the business from the government in 1988. Bae also has international ties with the Airbus consortium.

If GEC were to approach Bae, the first contact might be made through Sir James Blyth, the chairman of Boots, who is a non-executive director of Bae. Sir James is understood to have met Lord Weinstock, the managing director of GEC, several times during GEC's second, successful bid for Plessey, the electronics group.

GEC's principal objective is thought to be to secure its sales of electronic defence equipment to Bae. But Lord Weinstock is understood to believe GEC could help improve the management of Bae's defence businesses.

City stockbrokers were last night expressing their anger about events at Bae which, they claim, had effectively created a false market in the shares (Michael Clark, Stock Market Correspondent, reports). The criticism follows television and newspaper reports that GEC was about to

launch a break-up bid for the company in the wake of its sharp drop in profits and the boardroom coup that resulted in last week's departure of Sir Roland Smith as chairman.

The intense speculation drove the Bae share price sharply higher in early trading on two consecutive days. But City scepticism and the absence of hard facts saw much of the gains pared by the close. Yesterday, Bae touched 437p before closing only 7p better at 423p. The announcement from the company that the speculation was being encouraged by third parties came after the close of business and too late to affect the share price.

One broker complained: "It is a convenient story to break just as the Bae share price looks ready to dip below the rights issue price of 380p." He said the prospect of GEC making a full bid was remote.

Another broker added: "It has just been a cynical manipulation of the market. GEC appears to have warned off anyone who might have considered bidding for Bae and helped preserve the independence of one of its biggest customers."



Determined: Sir Graham Day said he would stand by Bae's strategy

Disillusioned investor will shun rights

By NEIL BENNETT

AT LEAST one leading institutional shareholder in British Aerospace will not invest in the £432 million rights issue because of disillusionment with the company.

The fund manager, who did not wish to be named, said he was also prepared to sell his holding if the price was high enough. His refusal to take part in the rights issue, which is due to be approved at an extraordinary meeting next Monday, will be a further blow to Bae in its attempts to strengthen its finances. If the

move is followed by other defections, a substantial proportion of the issue will be left with Kleinwort Benson, the underwriter, and the sub-underwriters next month. That would depress the share price further.

The manager's disillusionment is echoed by other leading shareholders and suggests that institutions would welcome a bid for Bae to recover some of the losses on their investment.

"A break-up bid for Bae is the most likely way of realising shareholder value at

the moment. The company has potential but I do not expect the share price to improve quickly," said one.

Kleinwort Benson, Bae's broker and the lead underwriter to the rights issue, spent yesterday telephoning the company's main shareholders to gauge their support. While the share issue is almost certain to be approved on Monday by a large majority, fund managers are still lukewarm about Bae's management despite the departure of Professor Sir Roland Smith last week. One Scottish fund

manager said: "The rights issue is necessary to restore the company's finances, but investors were not given adequate guidance about the trading situation. It has still not been made clear to shareholders who is running this company."

Lord Weinstock, GEC's managing director, has told several of the managers privately that he wants to buy some of Bae's operations, but has said he does not want to make a full bid due to the uncertainties in some of its divisions. He described its

regional aircraft business to one fund manager as a potential black hole. Despite this, none of the company's main investors report any bid approaches. Nevertheless, Bae and its advisers are thought to be prepared for a stock market raid to buy up to 14.9 per cent of the company's shares next week.

GEC has already lined up a leading stockbroking firm to go into the market if necessary.

Weinstock ambitions, page 16
 Comment, page 25

Amstrad shares hit by Sugar warning

By OUR CITY STAFF

SHARES in Amstrad, the electronics group, were marked down savagely yesterday after Alan Sugar, the chairman, said that market conditions have continued to deteriorate in the second half of the calendar year.

The shares fell 10p to 39p in heavy trading after the announcement. Mr Sugar also unveiled a 54 per cent slump in pre-tax profits to £20.16 million for the year to end-June. As expected, there was a £20.4 million exceptional writedown against the value of inventory, mostly relating to the PC2386 personal computer, which has had technical problems. The final dividend is held at 1p, making an unchanged 1.4p for the year. Earnings per share fell from 6.1p to 2.5p, leaving the dividend covering 1.8 times.

Mr Sugar told analysts that trading in the first quarter of the current year was down on

the same period last year, although he said that there had been a revival this month. He said pressure on margins resulting from price cutting in personal computers and video recorders "may well result in a very difficult year from a profit point of view unless there is a sudden positive change in our markets." Brokers now forecast an outcome in the range of a £5 million loss to a £5 million profit for the year to next June.

All Amstrad's major European markets were hit by the recession. One of the few bright spots was satellite dish sales in the UK where Amstrad has an 85 per cent market share. Satellite-related products account for 28 per cent of group sales.

A rationalisation programme brought a 20 per cent reduction in operating costs.

Times, page 27

Hopes of reviving BCCI are dashed

THE Sheikh of Abu Dhabi has dashed any hope of reconstructing the collapsed Bank of Credit and Commerce International as a going concern by dismissing most of its 1,260 British employees.

All but a few of the bank's staff were laid off yesterday, and BCCI's 24 UK branches have been put up for sale. The Abu Dhabi government, BCCI's main shareholder, said

"there is little real prospect of restructuring the bank as originally envisaged."

The decision marks the collapse of negotiations between the Abu Dhabi authorities and Touche Ross, BCCI's provisional liquidator, to try to reorganise the bank.

Touche Ross is now expected to ask the High Court to place the bank in formal liquidation. This would allow the Bank of England's protection scheme to move into operation.

BCCI was closed by the Bank of England and international regulators on July 5 when a massive, systematic fraud was discovered at the bank. The bank was granted a reprieve on July 30.

The statement from Sheikh Zayed bin Sultan al-Nahyan said that efforts would now focus on realising the bank's assets efficiently to protect the interests of its 1.1 million depositors worldwide.



Sheikh Zayed: new focus

Mountleigh directors step down

By MATTHEW BOND

THREE directors of Mountleigh Group who were censured by the London Stock Exchange in August have resigned their executive positions at the company.

Nelson Peltz and Peter May, the two Americans who controversially took control of the property company in 1989 when they spent £70 million on a 22.6 per cent stake, have resigned as executive chairman and joint managing director respectively. Both men will remain as non-executive directors. Clive Strouger, who until yesterday was Mountleigh's chief executive, is to leave the company.

Also stepping down from an executive role as joint managing director is Marc Leland, a representative of the Gordon Getty family trust. Mr Leland was not criticised by the Stock Exchange, but it was the circumstances surrounding the arrival in May of the Getty trust as a Mountleigh shareholder that prompted

the Stock Exchange enquiry. The Getty trust paid Mr Peltz and Mr May 100p a share for half their 22 per cent stake. Two months later Mountleigh unveiled a £36 million rescue rights issue at 25p a share.

The Getty trust and Mr Peltz and Mr May are now deemed to be acting in concert, collectively controlling a 29 per cent stake.

News of the board departures was announced just a few hours before yesterday's annual meeting. The meeting was chaired by Sir Ian MacGregor, who becomes Mountleigh's non-executive chairman.

Although a number of shareholders at the annual meeting were clearly unaware of the boardroom changes, Sir Ian rejected criticism that the announcement had been mishandled. "It was only within recent hours that the final decisions were made," he said.

During the formal business of the

meeting, Sir Ian rejected the Stock Exchange's censure of Mr Peltz and Mr May and its criticism of Mr Strouger. "It is this company's view and my own personal view that those censures and criticisms were wholly unwarranted and inequitable. Nelson and Peter took the very best legal advice before entering into the share sale agreement and were specifically concerned with making sure that they acted within the Stock Exchange's moral code." Later he said there had been no outside pressure for the three men to go.

Sir Ian said Mountleigh's management was being "condemned" and indicated that board numbers were unlikely to remain at the current 14 for long. "We will have a number of redundancies on the board in due course," he said.

Mountleigh's shares dropped from 16p to 9p in response to the resignations, recovering later to 14p.

Lloyd's chief unaware of FBI enquiry

By JONATHAN PRYNN

ALAN Lord, the chief executive of Lloyd's of London, said yesterday he knew nothing of FBI and congressional enquiries into the recruitment of names in America.

His comment came after *The Times* reported that the FBI contacted Lloyd's names in America this week and requested information regarding the recruitment activities of Lloyd's agents. The Securities and Exchange Commission launched an investigation into the status of Lloyd's and its membership under American securities legislation earlier this year. A Senate sub-committee is also considering an investigation of Lloyd's activities.

Mr Lord described the involvement of the FBI as an "emotive" issue and that Lloyd's had not been contacted by the agency. "Until I read *The Times* this morning, I didn't know the FBI was amongst us. We have not had any enquiries."

"I can only say that I hope the matter will be dealt with rapidly. Lloyd's derives a lot of its business in the US and this sort of speculation is damaging to us," he said. "It is a matter of the capital base rather than the customers."

Lloyd's is facing growing discontent among North American names, many of whom have been hit by some of the heaviest loss-making syndicates, including Feltrim and Gooda Walker. Two actions have been brought against Lloyd's in American courts, one of them in Denver where it was dismissed.

However, the real battle is likely to begin next week when a group of about 50 names launch an action in the New York courts. The names are being advised by Proskauer, Rose, Goetz and Mendelson, the New York law firm.

Lloyd's is attempting to head off the action by issuing writs for damages in the High Court against three of the potential litigants. Lloyd's argues that the three have violated the terms of their general undertaking when they joined Lloyd's that any legal actions relating to their membership must be pursued through the English courts.

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WEEKEND MONEY TOMORROW

PROFILE



Doyen of company doctors, David James, charges £3,000 a day and has never failed to rescue an ailing business. But as Carol Leonard found, he still suffers from insecurity.

DOUBLE TAKE

A conference is meeting in Venice to discuss credit card fraud as an electronics expert begins a jail term after tampering with the magnetic strip on a Barclaycard. Lindsay Cook, Money Editor, writes.

SHARE CALL

Nearly 20 million BT customers have received letters inviting them to register for shares in the latest government sell-off. Sara McConnell reports.

Next slumps at halfway

NEXT is the latest retailer to confirm that there is no sign of the gloom lifting from the high street, despite the fall in interest rates and optimistic noises from the government.

The group made pre-tax profits of £200,000 (£2.3 million) in the six months to end-July, on sales down to £220 million (£420 million) as a result of the disposal of the Grattan mail order business. Earnings were nil (0.44p), and there is no interim dividend (0.7p). The shares rose 5p to 47p.

Laura Ashley, page 25
 Times, page 27

THE POUND

US dollar 1.7507 (-0.0023)
 German mark 2.9149 (+0.0023)
 Exchange index 91.1 (-0.1)
 Bank of England official close (4pm)

STOCK MARKETS

FT 30 share 2019.2 (-18.7)
 FT-SE 100 2625.6 (-18.6)
 New York Dow Jones 3000.89 (-11.63)
 Tokyo Nikkei Avg 24711.44 (+336.33)

MAJOR CHANGES

RISERS:
 Baxpak 488p (+12p)
 Henry Boot 987p (+15p)
 Grand Mid 84p (+8p)
 Ford 271p (+8p)
 Kwik Save 611p (+10p)
 Park Foods 371p (+8p)
 Humeau 280p (+10p)
 Auto Sec 194p (+10p)
 Enterprise 520p (+8p)
 FALLS:
 GOC 596p (-18p)
 Cadbury Schweppes 423p (-10p)
 FNOC 53p (-15p)
 Rainers Group 83p (-21p)
 Higgs & Hill 189p (-19p)
 A McAlpine 205p (-5p)
 Rugby Group 185p (-3p)
 Vodafone 37p (-10p)
 Amstrad 39p (-14p)
 Tiphook 563p (-14p)
 BAT 880p (-10p)
 Closing Prices...Page 29

INTEREST RATES

London Bank Base: 10 1/2%
 3-month interbank 10 1/2%
 3-month eligible bill 9 1/2%
 US: Prime Rate 8%
 Federal Funds 5 1/4%
 3-month Treasury Bill 5.03-5.01%
 30-year bonds 10 3/4-10 1/2%

CURRENCIES

London: £ \$1.7502
 New York: £ \$1.7502
 £ DM2.9146 £ DM1.6555
 £ Sfr2.5489 £ Sfr1.4555
 £ FF9.5321 £ FF5.5747
 £ Yen225.07 £ Yen130.81
 £ Index84.1 £ Index84.1
 ECU £0.702487 Sfr £0.780389
 ECU £1.423513 Sfr £1.251355
 London forex market close

GOLD

London Fixing: AM \$357.20 pm \$358.00
 close \$357.20-357.80 (£204.00-204.50)
 New York: COMEX \$357.55-358.05

NORTH SEA OIL

Brent (Oct) 821.70 bbl (\$21.45)

RETAIL PRICES

RPI: 134.1 August (1987=100)
 * Denotes midday trading price

Banks to float 3i group for £1bn

By NEIL BENNETT
BANKING CORRESPONDENT

BRITAIN'S main banks are finalising an agreement to float 3i, the venture capital investment group. The £1 billion flotation will make 3i the stock market's largest investment trust.

It is expected that the agreement will be signed late next week, after seven years of negotiation and in-fighting over 3i's future. The group is at present owned by a consortium comprising the Bank of England and six leading banks. About 60 per cent of the shares are likely to be offered to the public.

As part of the preparations for the float, 3i will convert itself into an investment trust to avoid paying capital gains tax on the sale of investments. Midland, Lloyds and the Bank of England are likely to sell their entire shareholdings, but National Westminster and Barclays will retain at least part of theirs, depending on the eventual price of the shares.

The agreement will be a significant success for Barings, the merchant bank, which took over as 3i's adviser last spring after SG Warburg failed to persuade the banks to proceed. 3i's board, chaired by Sir John Cuckney, has always favoured a float, but has been unable to push it through.

Once the agreement is signed, Ernst & Young, 3i's auditor, will begin revaluing the company's portfolio of more than 4,000 investments. 3i's net asset value is currently £1.3 billion. The company's advisers will decide on what discount to net assets the shares will be sold. Discounts on current investment trusts range between 10 and 15 per cent, but 3i hopes it can achieve a smaller margin because of its size and the spread of its investment portfolio.

Forte blames Gulf war for £30m in lost profits

By COLIN CAMPBELL

FORTE, the hotel and catering group, where Rocco Forte is chief executive, says the Gulf war cost the company £30 million in lost hotel profits in the six months to the end of July.

In the first three months of the period, Forte made virtually no profits at all, and for the six months it reported pre-tax profits of £42 million (£114 million), on virtually unchanged sales of £1.31 billion. There was no profit contribution from its interest in the Savoy Hotel (£4 million previously), and £2 million (unchanged) was generated from surplus property sales.

Forte is holding its interim dividend at 2.75p a share, declared out of net earnings of 3.8p a share, and says it remains confident that its business "is in very good shape".

The chief executive said the group's cost base had been trimmed, investments were still being made with the longer term in mind, and Forte restaurants division had gained market share.

The group now has 361 Little Chiffs, 87 Happy Eaters, and 79 Harvester outlets. There were plans to extend the Forte Crest hotel chain in mainland Europe, and there had been a 15 per cent profits growth by Gardner Merchant, he added.

Mr Forte said interim figures demonstrated that this year had been one of the most difficult years that the industry has faced.

In recent weeks there had been the first tentative signs of

improvement in some markets, "but we are not yet in a position to predict when trading will return to more normal levels," he said.

Analysts concede that while group profits will be down this year, and there is every prospect that a maintained total dividend of 9.91p a share will not be covered by earnings, there are encouraging prospects of higher profits in the year to end-January 1993, and for a further profit improvement in the 1994 year as the economy picks up.

Forte says its latest interim results "reflect exceptional circumstances". During the period, the level of American business was 80 per cent below previous levels, business from Japan was 75 per cent below previous levels, and for Europe it was 65 per cent down.

Occupancy levels of the group's provincial hotels was six points down in the first half, and those of London hotels were 20 points lower. Since July 31 there had been some recovery in London occupancy levels.

Mr Forte said all the group's core businesses - hotels, restaurants and contract catering - were in markets where there continued to be good prospects for long-term growth.

Because of the reduced cost base, the group would be able to recover quickly when business returned to more normal levels, he added.

Forte shares rose by 8p to 271p.

Times, page 27



Good shape: Rocco Forte, yesterday, ready for upturn

Business failures reach 'plateau'

By COLIN NARBROUGH
ECONOMICS CORRESPONDENT

THE number of firms going into receivership may have bottomed out, but will only start to decline next year after consumer confidence has been restored, according to the latest survey by KPMG Peat Marwick McLintock, the accountant.

The cautiously optimistic tone of the survey contrasts with the unmitigated gloom of a report on Monday from Dun & Bradstreet, the business information group, which showed the rate of company failures accelerating in the first half of this year.

The Peat Marwick survey says that while the receivership numbers remained high, they had remained static for three consecutive quarters this year. The total was 3,148 in the first nine months, up 70 per cent on the same period last year. About half were in London and the Southeast.

Tim Hayward, head of corporate recovery at Peat Marwick, gave a warning that in some sectors, particularly property, failures may start to rise again as lenders decide that receivership is the best route to asset disposal.

He said trends appeared to indicate that receiverships had reached a "plateau". Stressing that receiverships were a lagging indicator of the economy's performance, he forecast that present levels would continue until mid-1992 before signs of improvement. "Only after consumer confidence has been restored and spending increased will receiverships tail off."

Despite increased business optimism about economic prospects, the continued climb in unemployment has made the consumer cautious about spending more. Mr Hayward noted that a general election usually boosts consumer optimism.

Desmond resigns the chair at Aer Rianta

DERMOT Desmond, the stockbroker described by Charles Haughey, the Irish prime minister, as a "business friend" has resigned as chairman of Aer Rianta, the Irish airports authority. He has also agreed to step aside from NCB, the stockbroking firm set up ten years ago and of which he owns 40 per cent, while investigations continue into alleged business scandals.

Mr Desmond, aged 41, referred to the "selective and distorted comments" of recent weeks. He said the harassment suffered by himself and his family had become "intolerable". There were calls for Mr Desmond's resignation from Aer Rianta after it was revealed that he was at the centre of an alleged property scandal said to involve Irish Telecom. An official report said Mr Desmond was involved in the sale of a property site at the centre of the affair.

Kenmare in Ir£3.6m call

KENMARE Resources, the Dublin mineral explorer, is making a deeply discounted one-for-one rights issue, at Ir£3.6p, to raise Ir£3.6 million (£3.3 million), to finance production at its Anacabe Graphite deposit in northern Mozambique. The shares fell 24p to 8p. Kenmare also reported an increased pre-tax loss of Ir£408,598 (Ir£366,492) in the year to end-April. There is no dividend.

Renishaw lifts payout

RENISHAW, the Gloucestershire precision metrology and inspection equipment maker, is raising its final dividend from 3.2p to 4p, lifting the total to 6p (4.8p) for the year, despite a decline in pre-tax profits to £11.1 million in the year to end-June, from £13.4 million last time. Turnover slipped from £47.6 million to £45.7 million. Earnings per share drop from 19p to 16.1p.

Cargo buys dealers

CARGO Control, Richard Palmer's car distribution group, is reversing into most of the Thomas Robinson group in a £7.1 million deal. The motor retail business being acquired comprises nine dealerships with 13 franchises.

At the same time, Cargo, which plans to change its name to European Motor Holdings, unveiled a pre-tax loss of £2.72 million in the 15 months to end-March, on turnover of £8.85 million. This compares with a profit of £295,000 in the year to end-December 1989. There was a 18.11p loss per share (4.74p earnings).

Exel buys Dutch firm

NFC, the holding and investment group, said its Exel Logistics unit had bought Food Express International, the Dutch distribution firm, for £1.5 million cash and maximum deferred payments of £1 million. Food Express, an independent food warehousing and distribution company, has annual sales of around £7.3 million. Exel already has activities in Spain, France and Germany.

International Media boost

INTERNATIONAL Media Communications, USM provider of video services and related equipment, cut taxable losses from £2.38 million to £715,000 in the year to end-April. Turnover was £845,000 (£1.14 million). There was an exceptional debit of £229,000 (£1.48 million). Loss per share was 0.42p (3.13p loss). Again there is no dividend. The company said it had traded profitably this year.

Albert Martin ahead

ALBERT Martin, the Marks and Spencer supplier, increased pre-tax profits by 17 per cent from £454,000 to £532,000 in the six months to end-June. Turnover fell from £33 million to £30.7 million and earnings per share rose from 1.5p to 1.8p. The interim dividend has risen from 1.6p to 1.7p. Michael Kidd, the group's chairman, said outcome for the full year would depend on the level of retail demand in the final months of the year. Forward orders for 1992 were at record levels and overseas factories were operating at high capacity. The shares rose 3p to 92p.

Etam puts dividend up to 1.5p

By GILLIAN BOWDITCH

ETAM, the fashion retailer that fought off a £121 million bid this year from Oceana Investment Corporation, the South African-controlled group, incurred costs of £1.1 million in defending itself.

The extraordinary item led to a bottom-line loss of £1.48 million despite an improvement in the group's performance at the pre-tax level in the six months to August 8.

Etam made a pre-tax profit of £35,000 (£1.12 million loss) on turnover down by less than 1 per cent to £98 million despite the closure of 16 stores. The loss per share was 0.59p (1.9p loss) and the interim dividend rises to 1.5p (1.2p).

Alan Howard, the group's chairman, said the turnaround had been achieved through strong management of costs and margins despite the severe retailing recession for many years.

Capital expenditure during the first half fell from £7 million to £1.2 million and the depreciation charge fell from £5.6 million to £4.88 million. Gearing fell from 14 per cent to 12 per cent and Mr Howard expects tight control of working capital to have eliminated all borrowings by the year end.

The shares rose 1p to 217p. Oceana, whose stake in the business is around 32 per cent, had been offering 185p a share during the bid that lapsed in August.

US orders cast doubt on upturn

By OUR ECONOMICS CORRESPONDENT

THE bumpiness of America's recovery was underlined in the latest official data, which showed factory orders slipping 1.9 per cent in August, the biggest fall for five months, after a strong surge in July.

Manufacturing has been one of the strongest sectors. A weakening in factory orders would point to problems in sustaining the recovery. Michael Boskin, President Bush's chief economic adviser, said the economy is showing moderate recovery, albeit at a slower pace than between May and July. He says the third quarter, to be published shortly, will confirm continued recovery.

Orders for non-durable goods, such as food and fuel, rose 0.3 per cent in August, after an 0.6 per cent increase in July. But a 3.9 per cent slump in durable goods orders, after an 11.7 jump in July, pushed overall orders into decline. Aircraft and electronics items contributed heavily to the volatility in orders for durable goods.

Mr Boskin said the unemployment rate was expected to remain well above 6 per cent in the report to be issued today. The current rate is 6.8 per cent. New applications for unemployment benefits fell by 10,000 to a seasonally adjusted 430,000 in the week ended September 21.

COMPANY BRIEFS

NOREX (Fin)
Pre-tax: £9.6m (£3.16m)
EPS: 28.2p (18.12p)
Div: 2p (1p)

NEW ENGLAND PROPS
Pre-tax: £573,000
EPS: 0.6p (0.7p)
Div: Nil

INTEREUROPE TECH
Pre-tax: £1.40m (£1.44m)
EPS: 14.74p (17.22p)
Div: 5.4p, rising 7.4p

TOYE & CO (Inf)
Pre-tax: £375,132
EPS: 10.5p (10.6p)
Div: Nil (nil)

Turnover grew to £44.2m (£38.4m). There was an extraordinary debit of £1.12m. Interest payments surged to £5.78m (£1.16m).

Interim results. Last time's profit was £908,000. The directors intend to recommend a final dividend once the year-end results are known.

Final results. Last time's total dividend was 7.4p. Company has initiated a restructuring of a number of businesses.

Last time's profit was £370,768. Sales £6.77m (£6.3m). Budgeted sales and anticipated profits may not be fully achieved for year.

Securities trading link with Frankfurt to be launched

By WOLFGANG MÜNCHAU, EUROPEAN BUSINESS CORRESPONDENT

The London branch of a German bank is to set up a direct securities trading link with Frankfurt stock exchange, demonstrating how competition between European exchanges is intensifying.

Hypo-Bank, of Munich, which in Britain owns 50 per cent of Foreign & Colonial Investment Trust, is establishing the link against the background of a more assertive strategy by the Frankfurt exchange, which aims to market its lib computerised trading system outside Germany.

This is the first time that the system has been exported abroad, and at least one of Germany's largest banks is expected to emulate Hypo-Bank soon. This was introduced in April and enables

investors to place and execute buying and selling orders for the 30 leading bonds and 30 leading shares that make up Germany's Dax index. So far, 95 German banks and brokers are participating in this, which accounts for about 15 per cent of trading. Unlike Seaq, the system operated by the London Stock Exchange, this also includes an automated settlement system, cutting the amount of back-office work involved in securities dealing.

Hypo-Bank says trading will start next Monday, from 8.30am until 5pm; from October 28, trading hours will move forward an hour.

Rüdiger von Rosen, chairman of Frankfurt stock exchange, said at a news conference at Hypo-Bank's

London office that the marketing drive was not muscle-flexing, but merely a business decision giving investors direct and efficient access to leading German shares and bonds.

If this catches on among foreign investors, the Frankfurt exchange might regain some of the business lost to London, which accounts for about 10 per cent of trades in German equities.

Attempts to harmonise securities trading and investment regulations throughout Europe have run into difficulties. Southern European countries, including France and Italy, are insisting that regional markets be protected, but Britain, Germany and The Netherlands favour a more free-market regime.

The latest setback for a pan-European market system occurred in May, when Euroquote, a joint venture to develop a common system, was scrapped on the insistence of Britain, Germany and Ireland.

Herr von Rosen criticised attempts by some countries to limit trading to stock market floors.

He said that was the main point of dispute in Brussels on the planned Investment Services Directive. "Like the London Stock Exchange," he stressed, "Germany's stock exchanges categorically reject such a compulsory need. This is because it is nothing other than an unsuitable attempt to divorce the stock exchanges from competition."

Standard Chartered, which leads the steering committee of banks, made that clear after comments on Wednesday from Jefferson Smurfit, the

Galliford annual profits fall 38%

By OUR CITY STAFF

GALLIFORD, the construction group, has announced a 38 per cent fall in pre-tax profits to £6.39 million for the year to end-June.

The figure was struck after a £2.18 million exceptional charge relating to a loss on a Leicestershire property joint venture.

The core construction division increased its profits from £3.8 million to £4.7 million, but the specialist contracting division saw profits slump from £1.6 million to £55,000.

Completions by the private housing operations were up by 20 per cent but the division's profits were down from £2.6 million to £1.9 million. Material supplies and distribution recorded a loss of £229,000. A final 3.35p (3.3p) dividend makes a total of 4.3p (4.25p) for the year.

Soviet Union 'can service its debt'

By OUR ECONOMICS CORRESPONDENT

THE Soviet Union can service all debt contracted or underwritten by its foreign trade bank, and any attempt to reschedule would damage its creditworthiness, according to an analysis by the Institute of International Finance, the commercial banking lobby group.

Horst Schulman, the managing director, said future lending to the Soviet Union and its constituent republics would depend largely on the needs of western banks' corporate customers.

The institute calls for full Soviet membership of the International Monetary Fund and World Bank.

Although the Soviet Union has lost its good name as a credit risk, it has maintained repayments on its \$61 billion foreign debt. A financing gap of up to \$5 billion has, however, been identified by American officials. Deutsche Bank has proposed that a \$5 billion bridging loan should be channelled to Moscow via the Bank for International Settlements.

Viktor Gerashchenko, chairman of Gosbank, the Soviet state bank, said in Helsinki last week that the Soviet Union was "not over-borrowed" and had scope to take up extra loans of \$10 billion to \$15 billion. He said Moscow intended to repay \$17 billion this year and the same amount in 1992.

The institute estimates that the Soviet Union will show a current account hard currency surplus of between \$3 billion and \$4 billion this year after a \$3.5 billion deficit in 1990.

Willi Wapenbans, a World Bank vice-president, said in Vienna that eastern and central Europe will need \$20 billion a year in foreign capital until the next century if its economies are to achieve even minimal growth. That figure excludes the Soviet Union.

Lonrho's BW plan stymied

By MATTHEW BOND

SEVERAL of Brent Walker's banks remain opposed to the rival restructuring plan proposed by Lonrho, the international trading group. As a result, Lonrho's proposals cannot advance.

Standard Chartered, which leads the steering committee of banks, made that clear after comments on Wednesday from Jefferson Smurfit, the

paper and packaging group that owns £15 million of Brent Walker's convertible bonds, that it favoured the Lonrho solution.

Standard Chartered said in a statement: "Certain banks have expressed an unwillingness to depart from the progression and completion of the restructuring plan and require it to be completed as soon as possible. Therefore, it

has not proved practicable for Lonrho's proposals to be progressed in tandem with the company's restructuring arrangements."

With the Lonrho proposal apparently sidelined, talks with Brent Walker's bondholders continue. Brent Walker hopes it can persuade Michael Smurfit, who controls £25 million of the bonds, to accept its revised terms.

Nadir 'kept \$27m deal secret'

ASIL Nadir, chairman of Polly Peck, kept a \$27 million deal to sell his shares in the Turkish Impex bank a secret from his creditors for as long as possible, the High Court was told.

Gabriel Moss, QC, for the creditors - eight banks and the Inland Revenue who are owed a total of £80 million - told Mr Justice Millett a number of factors pointed to the conclusion that the sale of the Impex shares to Turkish businessmen was not genuine.

The creditors are opposing a bid by Mr Nadir to have their application to have him jailed or fined for contempt thrown out without a hearing on the grounds that it has no chance of success.

They allege the sale of the bank last December and a three-year option agreement for Mr Nadir to repurchase the shares were breaches of a High Court undertaking not to dis-

pose of his assets pending bankruptcy proceedings.

Those proceedings were later dismissed by consent after Mr Nadir agreed to assign the proceeds of the bank sale to his creditors. The purchaser subsequently failed to come up with the money due for the shares.

Mr Moss said that at a meeting last December, Mr Nadir had agreed to pay the creditors in full if given time and to grant them security over the assets he had disclosed.

But the creditors had not been warned of the bank sale, nor had their consent been sought. It was a secret agreement that Mr Nadir had told them about only after it had been in the Turkish press.

Impex was perhaps Mr Nadir's largest asset, Mr Moss said. Mr Nadir might have explanations that would show that the sale transaction was



Nadir: fighting application

not underhand but this was something that should be investigated at a full hearing.

"There are all sorts of hypotheses which are consistent with his innocence, but they are not likely," said counsel.

Mr Nadir kept both the sale and the option agreement

secret as long as possible and had revealed them only when he had to. The secrecy was an important factor pointing to the sale not being a genuine transaction.

Mr Moss suggested that the option agreement was likely to have had a depreciatory effect on the price obtained for the bank.

There had been no attempt to market the bank shares or get a valuation or to make provision for security for payment. The creditors later discovered that Mr Nadir knew the purchasers "quite well".

"One could expect a farmer or an old widow to be taken in by the consideration that it was all between friends but not the chairman of a large public company," Mr Moss said. "It all looks very suspicious indeed."

The hearing continues today.

CANADIAN OVERSEAS PACKAGING INDUSTRIES LIMITED (Incorporated under the laws of Canada)		
PRELIMINARY EARNINGS ANNOUNCEMENT Audited results for the year to 30th June, 1991 (all funds expressed in thousands of Canadian dollars except for the common share data)		
	1990/91	1989/90
	C\$'000	C\$'000
Turnover	C\$106,604	C\$93,122
Earnings before Taxation	20,113	16,389
Taxation	3,242	2,154
Earnings after Taxation	16,871	14,235
Less: Minority Interests	332	299
	16,539	13,936
Gain on Sale of Marketable Securities	3,215	3,643
Foreign Currency Gains (Losses)	2,211	(1,985)
Corporate Restructuring Costs	(728)	-
Net Earnings	C\$21,237	C\$15,594
Earnings per Common Share	C\$ 1.21	C\$ 80.89

The Directors today have declared a regular dividend on the 17,578,125 Common Shares in PV payable to Shareholders registered at the close of business on 22nd November 1991 at the rate of 90 cents (Canadian) per share. The comparative figure for 1990 was 45 cents per share. The payment date for this dividend is 12th December 1991.

The Annual Report and Accounts for the year ended 30th June, 1991 together with the Notice of the Twenty Annual Meeting will be posted to Shareholders on the 25th October, 1991 with the usual press announcement appearing the same day. The Twenty Annual Meeting will be held on 3rd December, 1991. Full details will be circulated with the Notice of the Meeting.

By Order of the Board, M.C. Johnston, G.C., Director and Secretary.

3rd October 1991.
Suite 1212, Brunswick Square, Gorman Street,
Saint John, New Brunswick, CANADA E2L 4V1

Dreaming of bids and deals

COMMENT

Anyone wishing to bid for British Aerospace would encounter no opposition in the City. The group's leading shareholders split into two main camps: those who have been selling shares and those who would love to sell at an acceptable price after seeing a near 30 per cent drop in recent weeks. Instead, the company is asking its owners to top up their depleted holdings by more than a fifth.

There is, however, no bidder. Some disgruntled holders, especially north of the border, dream of a break-up of BAE as a means of restoring their funds. Even before recent setbacks, BAE's capitalisation was puny against the size of its business. An equity value of £1.1 billion, less than half the book value of £2.55 billion, supports turnover of £10 billion and capital employed of £4 billion. A bidder with funds to support the business, or buyers lined up for bits of it, could therefore afford to be generous.

Well, that is the dream. Feelers were put out. Perhaps Sir John Cuckney's Metson consortium, which has been in suspended animation since it was created to

counter-attack GEC in its battle for Plessey, could be revived. Perhaps not. Some of the overseas parties needed to break up GEC, such as Thomson of France, are just as interested in BAE. But the climate has changed and important players have changed sides.

GEC wants to be involved, but does not know what it wants to achieve, apart from protecting its markets and keeping its enemies out. Lord Weinstock sees BAE management as weak but does not have the stomach to make a hostile bid. Sir Graham Day, BAE's interim chairman, is in no mood to play GEC's game at this stage.

No decisive moves are likely to be made before the extraordinary meeting on Monday, called to approve the rights issue. Institutional shareholders might like to oppose this. Many are not convinced that the issue will achieve more than tide the business over. BAE could do with

at least double the £430 million it is asking for and which was probably all it could get. Had a new team been in place before the rights announcement, it might have been able to put together a more imaginative package, perhaps combining dividend waivers on the Trafalgar House model with warrants to build up capital later.

As it is, institutions can hardly dispute that BAE needs the money. Few would care to be seen ditching Sir Graham and his board completely by throwing the issue out, even though this would put BAE firmly into play. Fingers would surely point at those in the City selling this critical centrepiece of British manufacturing short.

The challenge facing Sir Graham is to persuade shareholders to back the board

positively. The hype over possible bidders should persuade more to take up their rights. Even if the issue is not left with underwriters, however, there will be many weak holders. Those anxious to take a role in BAE's future will show their hand by buying unwanted rights and shares in the market up to and after the offer closes on October 28. Their first concern may, however, be not who is to own BAE, but who is to manage it.

Joyless IMF

People about to spend an autumn week in Blackpool listening to speeches by Norman Lamont and John Major need something to lift their spirits. But the IMF's unofficial forecast for the

British economy is not going to be quite the fillip the Tory faithful have been led to expect. The IMF's widely leaked projection that the UK economy would grow by 2.3 per cent in 1992 has been touted as a great pre-election morale-booster. Not surprisingly, the full forecast is less flattering than the selective leaks.

First the old news. The 2.3 per cent growth rate expected for next year, far from picturing a sudden improvement in the economy, is a virtual restatement of the official forecast published by the Treasury in the Budget last March. Admittedly, the Treasury's forecast only ran up to the middle of 1992, but it showed an annualised growth rate of 2.7 per cent in the first half of the year. Projecting this growth rate forward into the second half of next year would put GDP for 1992 as a whole 2.4 per cent above the likely 1991 level. Neither is the forecast out of line

with private economists' projections. The latest Treasury summary of independent forecasts produced shows a median expected growth rate of 2.1 per cent next year, barely distinguishable from the IMF's projection.

Now, the bad news. The IMF's international comparisons raise some troubling questions. Britain's growth rate next year will be the second lowest among the Group of Seven and it would have been the lowest but for a brief slowdown expected in Germany during the first half. Yet Britain's inflation will still be 3.6 per cent by the fourth quarter of 1992. Instead of crossing over with Germany or converging towards the best in Europe, Britain will again diverge in the wrong direction from Germany and France, both expecting 2.9 per cent inflation. When German central bankers say they are aiming to cut inflation back to 2 per cent, they mean it. The only G7 country faring significantly worse than Britain will be Italy, where inflation will remain around 6 per cent. Italy, it is worth noting, has been an ERM member for almost 13 years.

A new pattern of management takes shape at Laura Ashley

Jim Maxmin, the recently appointed chief executive, has his work cut out. Gillian Bowditch reports



Different approach: Jim Maxmin conducts board meetings kneeling on the floor

JIM Maxmin, new chief executive of Laura Ashley, the struggling fashion and home furnishings group, is the antithesis of the company's founder, who gave her name to the business and a million floppy, flowered dresses. She was a reserved English eccentric. He is an energetic, enthusiastic, American intellectual with an alarming line in transatlantic jargon.

"You just have to love those customers to death," says Mr Maxmin, who gained his PhD in the logical structure of religious language and whom colleagues say is prone to conducting board meetings kneeling on the floor, surrounded by papers.

His approach to retailing is so different from the quietly spoken, bearded, bearded men who presided over the group's downturn that the City, which sees a parallel in the Body Shop's Anita Roddick, is prepared to give him and his dynamic ideas the benefit of the doubt.

Mr Maxmin has been in the job three weeks but has already made sweeping changes. Days after reporting interim pre-tax profits of £528,000 compared with £317,000 last time, he announced 100 redundancies among managers and support staff in a restructuring that will cost about £5 million. All senior executives are to spend a day every two months working in a Laura Ashley shop to focus management's attention on the customers and shop staff are to be given incentives to increase profitability.

Since the announcement of his appointment in July, he has visited about 100 Laura Ashley shops. "I've never seen

a business where so many people are able to tell you what is wrong but are not empowered to put it right," he says. Mr Maxmin's favourite trick is to arrive at a store and ask the manager how they would run the shop if they were able to buy it for £1. "They are a bit hesitant at first, but they soon open up and tell you the problems," he says. Some are strikingly obvious. "It doesn't take much

to realise that selling tins of paint from our Kensington High Street shop is a dumb thing to do," he says. Mr Maxmin's job has been made easier by the presence of Andrew Higginson, who joined as finance director in May last year. Mr Higginson has started to cut out unnecessary costs and sell peripheral businesses. He is unashamedly managing the busi-

ness for cash. The new chief executive has also bypassed the balance sheet problems that once threatened to drag the company under and which were resolved in August last year when a 15 per cent stake was sold to Jusco, the Japanese group, for £30 million. Even so, Mr Maxmin's job will be no picnic. The group is budgeting for no upturn in sales this year and although he declares himself delighted that

attempt to appeal to that other 96 per cent. The group intends to keep its core floral designs, which make up about 30 per cent of the fashion range. The rest of the range will be, in Mr Maxmin's words, "a bit more whacky". Mr Maxmin says the typical customer is thirty-something, well educated and affluent, with a household income of £35,000 or more. The trick is to get these women to part with their cash. Mr Maxmin says the key is simplification. Laura Ashley has, in the past, become over-complicated, over-managed and systems have been duplicated.

The supply chain has been disjointed and feedback poor. The group is spending £10 million over the next two years on global computer systems that will allow the merchandise department to stock the stores with products that will sell. Pricing and positioning will be evaluated.

"We're building the plumbing back into the system," says Mr Maxmin. "We think we know what's wrong and we're convinced we have a programme which can get costs down and volumes up. The worst thing we could do now is sit back and wait for the upturn".

"I've never seen a business where so many people are able to tell you what is wrong but are not empowered to put it right"

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THE TIMES CITY DIARY

Doctor of philosophy

COMPANY Doctor extraordinary David James, who on Tuesday unveiled his refinancing plans for Davies & Newman, the Dan Air group, thereby securing its future, now has more than 70 corporate successes to his credit. And no failures. But he admits that he is careful in selecting suitable rescue candidates. As a general rule, he avoids family firms like the plague — "if they have screwed it up once, they will screw it up again and unless they will agree to a more equitable share structure I would be very reluctant" — but he is particularly attracted to companies where the bankers are in an exposed position. "I want to see a shortfall in their security cover. If they are not exposed, they are very difficult to talk to. An exposed bank has to negotiate." Wise words indeed.

SIGN in an office equipment shop in Taunton, Somerset: "Ask not for whom the bell tolls; let the answering machine get it."

French embrace PETER Alfandary, managing partner of youthful City law firm Warner Cranston, where the average age of the 13 partners is 38 years, this week

AMSTRAD

"The computers are down."

became one of the few Britons to have the title of Chevalier in the National Order of Merit bestowed upon him by the French government — for his services to Anglo-French commercial and legal relations. Educated at the French Lycée in London — where he met his wife, Sarena — it was Alfandary who developed Warner Cranston's thriving French division. He is, as yet, undecided whether to send his own children, Adam, 5, and Nathalie, 2, to the Lycée. "We only speak French to them, so perhaps there is no need."

Time out BIDS and break-ups were forgotten at 3pm yesterday as the City turned its attention to the rugby at Twickenham. Cashing in on the interest was The Ultimate Experience, a corporate hospitality company, which transformed the Whitbread Brewery into a giant viewing — and drinking — venue for 450 stickers.

Final flight

THE replacement of the Stock Exchange Council with a new-style board means that for the first time this century there will no longer be a Raven in the tower. One of the many departing council members, Stephen Raven, who first joined it 16 years ago — and, as chairman of the International Equity Markets Committee, oversaw the introduction of Seaq — reveals, somewhat sadly, that there has been a Raven at the exchange since Victorian times. His late father, Ernest Raven, was the senior partner of Stocken & Co., a jobbing firm that became part of Akroyd & Smithers and then Warburgs. Raven, still a director of Garben Equities, the inter-dealer broker, now has time "to look at other business opportunities in the City" — he is particularly interested in pan-European ones.

CAROL LEONARD

Electricity pool rates up 20%

Power pricing 'needs overhaul'

PRESSURE is mounting for a thorough overhaul of the pool price system, which determines electricity prices in England and Wales, after a 20 per cent rise in charges and a series of alarming peak prices. Professor Stephen Littlechild, the director general of electricity supply, yesterday said peaks during August were "inconsistent with the concept of the pool as an efficient competitive market for electricity... There are increasing grounds for doubt as to whether this particular market is functioning properly."

The director general said it was important to expose whether price spikes "have been caused by the bidding behaviour of generators, or the mechanisms and rules for converting bids into prices, or a combination of both". His growing concern coincides with a report from Caminus Energy, the Cambridge consultants, which says

that pool prices during the quarter to end-June were 20 per cent higher than the same months of 1990, even though electricity demand was substantially lower.

Caminus calculates that the increase in charges could add £10 million a year to the costs of a typical electricity supply company — equal to a tenth of their profits last year.

Dr Nigel Evans, of Caminus, said National Power and

"There are grounds for doubt whether this market is working properly"

PowerGen, the privatised generating groups that produce 75 per cent of electricity consumed in England and Wales, had increased the prices at which they bid into the pool and appeared to be testing the responses of the pool mechanism by increasingly complex bidding strategies.

Dr Evans said constraints upon the electricity trans-

mission system operated by National Grid appeared to enable the generators to run high cost power stations, impacting the pool price.

National Power's Fawley plant, on Southampton Water, was often called upon because it was located in an area of high demand in the Southeast, despite the high cost of its fuel.

Dr Evans said the complexity of the pool operations made them "almost impossible" to understand. The entire pool system needed to be re-examined, he said.

In the short term, higher pool prices may cost the generating companies more than they gain, because most of their sales are made at pre-arranged prices through so-called "contracts for differences".

However, higher pool prices over an extended period will enable the generators to negotiate better prices for supplying power under contract next year. The sharp increase in prices will also encourage some large industrial customers to sign firm contracts with generators.

ROSS TIEMAN

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recommendations we give you will be expertly and personally tailored to meet your needs.

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Postcode _____	I would like to discuss my requirements further. <input type="checkbox"/>
Telephone _____	Please arrange for an adviser to call me. <input type="checkbox"/>
	Approximate amount of investment £ _____

National Westminster Bank
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Sherwood raises dividend

By Our City Staff



Goodwin: "battered down"

APW Wings	331	Forti	6.63
BAA	321	Gen Acc	4.2
BET	2,011	GGC	2.28
BTU	891	Glaxo	1.21
BAT	2,011	Grand Met	2.25
Barclays	1,923	GUS 'A'	6
BCC	333	GRE	70
BICC	308	Guinness	1.90
BS Scotland	324	Hannston	2.25
Blue Circle	282	Henkroy	30
BOD	1,221	ICI	1.27
Bosch	2,315	ICI	1.27
Br Aero	3,306	Inchcape	4.27
Br Airways	3,306	Inchcape	4.27
Br Gas	6,080	Lesmo	2.04
Br Petrol	7,888	Lockstock	3.07
Br Saw	5,372	Lockwood Sec	3.07
Br Steel	811	Lloy	1.94
		Lyco	1.94

New York:	
S&P Composite	300.89 (+1.63)
Dow Jones	306.93 (-1.93)
Tokyo:	
Nikkei Average	2471.44 (+386.33)
Hong Kong:	
Heng Seng	4093.41 (+31.34)
FTSE Euro 100	1102.18 (-2.16)
Amsterdam:	
AEX	85.5 (-0.7)
Sydney:	
ASX 100	1585.0 (+32.2)
Frankfurt: DAX	Closed
Brussels:	
Br 100	5440.66 (+30.35)

TOP VOLUMES			TOP 500			
7	Lorho	1,111	Royal Bank	1,355	Aberforth Split (100p)	110
8	Lucas	978	Acad Int	705	Harvey	109
9	MAS	2,864	Standard	1,038	Albanc Leas	41 1/2
10	Maxwell Com	1,101	Scott & N	1,221	Alliance Res	13
11	MPCG	593	Scott Power	720	Capital Ventures	110
12	MPCG	593	Scott Power	720	Clarendon Grans (175p)	189
13	Nat Power	1,808	Severn Tim	2,186	Coast Cyclical (Alt)	160
14	Nat West	1,191	Shell	2,579	County Grm Inv	9
15	N W Water	2,751	Smith & N	2,286	Crown Hldgs (4p)	58
16	N W Water	2,751	Smith & N	2,286	Deyell Int (100p)	102
17	N W Water	2,751	Smith & N	2,286	Driford Int (25p)	102
18	N W Water	2,751	Smith & N	2,286	Edwards Int (100p)	102
19	N W Water	2,751	Smith & N	2,286	Edwards Int (100p)	102
20	N W Water	2,751	Smith & N	2,286	Edwards Int (100p)	102
21	N W Water	2,751	Smith & N	2,286	Edwards Int (100p)	102
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23	N W Water	2,751	Smith & N	2,286	Edwards Int (100p)	102
24	N W Water	2,751	Smith & N	2,286	Edwards Int (100p)	102
25	N W Water	2,751	Smith & N	2,286	Edwards Int (100p)	102
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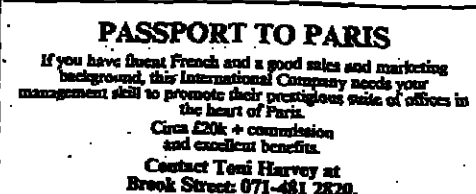
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Getting in touch with quality



STOCK MARKET

Lack of lead from New York adds to decline in London

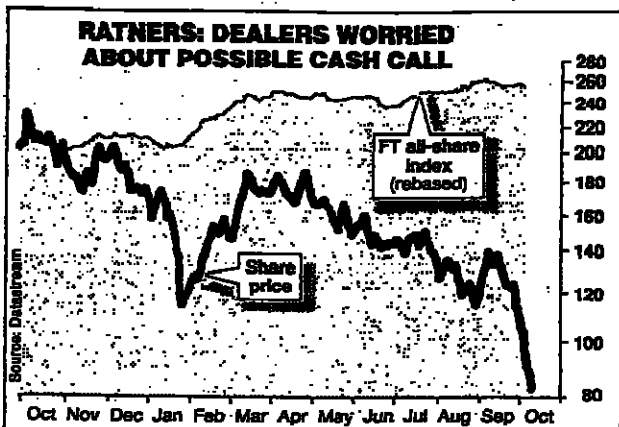
THE investment policies of City fund managers were kicked into touch as many of them made their way to Twickenham for the opening game of the Rugby World Cup between England and New Zealand.

Share prices in London made a hesitant start after a disappointing performance overnight in New York, where dealers appeared uncertain about the direction of interest rates. Most experts had forecast a further softening by the Fed today.

As a result, prices in London never fully recovered and drifted on lack of support despite this week's confident start to the account. The FTSE 100 index closed just above its worst of the day, with a loss of 18.6 points to 2,625.6, after the Dow Jones industrial average suffered a fall of almost 14 points during the first hour.

Government securities were little changed on overnight levels as hopes of an early cut in interest rates began to fade. British Airways touched 437p, up from 415p, on persistent claims that Lord Weinstock's GEC will make a bid for the company. BAE said the story was being encouraged by third parties whose interests may differ sharply from those of BAE. The City has taken the view that GEC would never make a bid for the entire company. Market-watchers say the story has helped prop up BAE shares before Monday's crucial extraordinary meeting to approve the group's controversial £430 million rights issue. GEC eased 2p to 197p.

Among leaders, BOC Group, the industrial gases and healthcare group, fell 16p to 597p after Hoare Govett, the stockbroker, decided that the shares were looking overvalued after their recent strong performance. But Hoare is



taking a bullish view of prospects at London International Group, the Durex manufacturer, 5p stronger at 282p.

British Airways advanced 4p to 437p, helped by an upgrading of pre-tax profits by Charterhouse Tinsley, the broker, the new figure is thought to be £130 million, up from £103 million, for the current year. Ratner Group, the jeweller, continued to reel from

Automated Security Holdings, the burglar alarm group, saw 7.8 million of its shares change hands as the price jumped 5p to 184p.

There is talk of a bid of 240p a share, or asset sales in America. Secom Investments, the Dutch group, is thought to have added to its 2.8 per cent stake.

year in order to reduce debts of more than £500 million. Pilkington, the glassmaker, fell 4p to 144p after Nomura, the Japanese securities house, cut its pre-tax profits forecast for the current year from £110 million to £85 million and for next year by £40 million to £125 million. But Cereson, one of the company's joint brokers, believes the shares' fall has been overdone.

The absence of any rights issue with half-year figures lifted Forte, the hotel and leisure group, 10p to 273p. Pre-tax profits fell from £114 million to £42 million, with Rocco Forte, chief executive, talking of the worst trading conditions in living memory.

Amstrad, the consumer electronics business, fell 7p to 415p despite full-year figures at the top end of City expectations. Pre-tax profits were more than halved at £20.1 million. However, Alan Sugar, the chairman, gave a warning that profits were being squeezed by the tight margins on personal computers and video recorders.

Monteith, the troubled property developer, touched 9p before rallying to close 1p lighter at 15p after news of four boardroom resignations.

By MICHAEL CLARK

Hang Seng sets record after talk of rates cut

Hong Kong - The Hang Seng index closed at a record 4,093.41, up 31.34 points, after speculation about a local interest rate cut. The previous high for the index was 4,079.01, reached on August 14 this year.

A broker at a British firm said: "The market's tone will continue to be firm until tomorrow, when the banks decide whether or not to cut interest rates." She added that share prices would continue to trade at current levels today, but consolidation might emerge early next week as the index had risen more than 200 points from its recent low.

Brokers said profit-taking in mid-morning pared early gains, but persistent buying in the afternoon lifted the index again. They added that talk of interest rate cuts helped lift buying interest on Guoco Group, a second-line banking stock that closed 7.5 cents higher at HK\$2.125. Turnover was HK\$1.65 billion (£122 million).

New York - Blue chips eased in late-morning activity, sending the Dow Jones industrial average down 13.41 points to 2,999.11, below the psychologically important 3,000 level. Some futures-related selling forced shares out of their tight morning range, but blue chips recovered slightly from the session's worst levels.

Tokyo - Shares chased the strong yen upward, shuffling off fears of overheating and news that Ruyutaro Hashimoto, the finance minister, planned to resign. The Nikkei average rose 336.33 points, or 1.38 per cent to 24,711.44, with an estimated 600 million shares traded.

Singapore - The Straits Times industrial closed at 1,359.41, up 2.37 points.

Sydney - The All-Ordinaries index rose 3.2 points to 1,585.

Frankfurt - Closed for the German Unity Day holiday.

(Reuters)

Shareholders find Sugar's words a bitter pill to swallow



Bearer of bad news: Alan Sugar of Amstrad

term prospect, though new products can bring problems as well as potential.

At 40p, the shares are at a substantial discount to the 56p net assets. They could prove a sale bargain for those with faith in the company. Others might prefer to pass the bargain by.

Next

DAVID Jones, the chief executive of Next, is fed up with the description of his retail group as an "ailing company". Convolving is a term he prefers but one glance at the figures show that Next is convalescing only in so far as it is off the life support machine.

Pre-tax profits for the six months to end-July were £200,000, down from £2.3 million in the first half of 1990, which in turn was down from £16.2 million in the first half of 1989 and from £30.9 million in the first half of 1988.

At least, the alarming write-offs which became a

feature of the Next results in recent years have stopped. Extraordinary losses for the whole of 1990 exceeded £200 million.

Turnover in the first half fell from £420 million to £220 million as a result of the disposal of the Grattan mail order business. The operating loss was £300,000 compared with profits of £6.7 million but the reduction in borrowings after the Grattan sale meant that Next had interest receivable of £500,000 compared with interest payable of £4.4 million.

There were no earnings per share, compared with earnings of 0.44p last time, and there is no interim dividend (0.7p).

The Next shops made a £1.9 million loss on sales of £125 million, a £500,000 improvement on last time. Next Directory profits doubled to £1.4 million.

There are still doubts as to whether the group will pay a final dividend and the shares, up 3p to 47p, are

trading on 36 times earnings assuming full-year profits of £5 million. Until basic trading problems are resolved, the shares are unlikely to outperform.

Forte

THE doormen at Forte's hotels and restaurants could be left kicking their heels for a while yet until the tourists return, and group profits for the year to end-January are going to be down.

A £30 million direct hit on hotel profits from the Gulf war, and further damage from the recession, left Forte's pre-tax profits in the six months to end-July down 63 per cent at £42 million, clipping the cover on the maintained 2.75p interim payment to 1.05 times.

But at least gearing remains at a manageable 41 per cent, thoughts of a rights issue have now dissipated and profit recovery hopes in the 1993 and 1994 financial years give analysts reason to hang on, even though Forte will have to make and sell a lot of sandwiches before gross trading profits overtake last year's peak level of £348 million.

Forte has, however, eliminated £30 million of annualised permanent costs through rationalisation, won fresh contracts within its contract catering division, and has all but maintained profits within restaurants.

The pre-tax (and property) profits profile this year suggests around £100 million (£187 million), with profits rising to £190 million in 1993, and on to £250 million in the year to end-January, 1994. A maintained total dividend this year of 9.91p a share would not be covered, and the prospective 1992 p/e of 30, based on 271p, up 8p, looks healthy. However, on 1993 and 1994 prospective ratings of 14.6 and 11.3 respectively, table bookings now at 271p a share should prove rewarding.

WALL STREET

	Cable					Print						Cable					Print				
	Session	Oct	Jan	Oct	Jan	Session	Oct	Jan	Oct	Jan		Session	Oct	Jan	Oct	Jan	Session	Oct	Jan	Oct	Jan
ALL Lyons	350	77	92	110	4	15	20				Presidential	240	16	25	28	94	9	13			
ASD	100	10	10	10	10	10	10				(#943)	280	2	7	11	35	30				
(#1021)	650	12	16	17	38	55	60					280	2	7	11	35	30				
(#49)	40	13	16	17	2	5	5				Recall Bill	51	8%	11	1	1	3	1			
	50	6	18	13	5%	5	10				(#570)	35	5%	5		3%	1				
	9	9	13	9	1	1	1					60	3%	4%							
Base	977	58									K-12	500	77	92	97	5	11	11			
(#1027)	1026	22									(#567)	500	16	34	33	61	104	18	26		
	1075	30										630	16	34	33	61	104	18	26		
	30	30	39	51	8	8	10				Sex News	500	39	43	52	13	39	48			
(#416)	420	9	21	16	10	20	21				(#412)	390	32	40	52	14	52	14	10		
	460	1	7%	16	4%	4%	4%					420	13	13	33	16	25	28			
Br. Airways	100	10	10	10	10	10	10				Texas	240	11	20	22	23	23	23			
(#190)	100	10	10	10	10	10	10				(#265)	200	11	20	22	23	23	23			
	300	3	9	16	13	19	22					280	4%	10	16	24	24	26			
BP	300	36	40	41	1	3%	6				Thames V	500	42	47			3	5%	6		
(#336)	350	36	40	41	1	3%	6				(#388)	500	42	47			3	5%	6		
	350	36	40	41	1	28	32	34				400	7	14			20	27			
Br. Steel	120	9%	12%	16	16	16	17				Violence	330	52	61			1	7			
(#128)	130	9%	3	6	9%	4%	10				(#371)	360	27	39			8	15			

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Portfolio PLATINUM

From your Portfolio Platinum card check your eight share price movements on this page only. Add them up to give you your overall total and check this against the daily dividend figure. If it matches you have won outright or a share of the daily prize money stated. If you win, follow the claim procedure on the back of your card. Always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Group	Code
1	Resort Hotels	Hotels/Caterers	
2	Barratt Devs	Building/Roads	
3	Hickling Penicillin	Textiles	
4	Sainsbury J	Foods	
5	Mind	Electricals	
6	Br Airways	Transport	
7	Metaxas	Industrials L-R	
8	Nest	Drapery/Stores	
9	Farland	Industrials L-R	
10	Pico	Electricals	
11	Alfordfield	Breweries	
12	Coslan Group	Building/Roads	
13	Capita Gp	Industrials A-D	
14	Wair	Industrials S-Z	
15	Tibbs & Baines	Transport	
16	Haden MacLellan	Industrials E-K	
17	BAA	Transport	
18	Pysa	Chemicals/Plas	
19	Caillford	Building/Roads	
20	Harris (Philip)	Industrials E-K	
21	Rolls-Royce	Motor/Aircraft	
22	Body Shop	Drapery/Stores	
23	Trakler H	Industrials S-Z	
24	Smiths Ind	Industrials S-Z	
25	Sinclair Eng	Hotels/Caterers	
26	Ladbrooke	Industrials A-D	
27	Billon (J)	Industrials A-D	
28	Bridport-Gundry	Industrials S-Z	
29	Spina-Sarco	Industrials S-Z	
30	Barbour Index	Newspapers/Pub	
31	Hogg Robinson Plc	Drapery/Stores	
32	Boosey & Hawkes	Leisure	
33	Menzies (John)	Drapery/Stores	
34	Ellis & Eversard	Chemicals/Plas	
35	Hopkirk	Industrials E-K	
36	Gold Gp	Chemicals/Plas	
37	Guinness	Electricals	
38	Drummond	Textiles	
39	Dowry	Motor/Aircraft	
40	Jacobs (J)	Transport	
41	Wessex Water	Water	
42	Argyll	Foods	
43	Lamont	Textiles	
44	Blenheim Gp	Newspapers/Pub	
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Please take into account any minus signs

Weekly Dividend						
Please make a note of your daily totals for the weekly dividend of £4,000 in tomorrow's newspaper.						
MON	TUE	WED	THU	FRI	SAT	SUN

The £4,000 Portfolio Platinum prize was won yesterday by Ms Beryl Harwood, of Bristol.

BRITISH FUNDS

1990						1st	Gross
High	Low	Spot		Price	Change	year	rate
SHORTS (Under Five Years)							
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BOXING

Hearn goes it alone with safety plan for his promotions

By SRIKUMAR SEN, BOXING CORRESPONDENT

A FIVE-point safety plan has been adopted by the Matchroom boxing stable of Barry Hearn to ensure that boxers receive medical attention quickly in the event of serious injury.

Hearn, who was promoter of the World Boxing Organisation super-middleweight championship bout at Tottenham in which Michael Watson suffered a brain injury, decided on the measures after talks with Peter Hamlyn, the neuro-surgeon at St Bartholomew's hospital, London, who operated on Watson.

Hearn said yesterday that no Matchroom boxer would take part in any promotion that did not adopt his precautions. The five points are:

1. That all promotions must have an ambulance and crew in attendance.

2. That the ambulance crew must be made aware of the nearest neurological unit.

3. That the promoter must give the neurological unit notice 24 hours before the show to make the necessary preparations.

4. An anaesthetist must be present at all promotions.

5. Any boxer knocked unconscious must spend 24 hours in hospital under observation.

Hearn decided to make the announcement shortly after it was announced yesterday that there had been no change in Watson's condition overnight.

Andy Ayling, Hearn's press officer, said: "These extra precautions are now in force at all Barry Hearn fights. We are hoping other promoters will do the same. Everybody is going to have to follow suit if they know what is good for them and their future."

The measures were welcomed by Terry Lawless, Britain's leading manager, who is also director of National Promotions. "The surgeon spoke to me as well about what can be done and told me that a boxer's chance of being saved are much better if he can get to a hospital within an hour," Lawless said. "He said that hour was known as the 'golden hour'."

While Lawless agreed with Hearn's five points, he did not

think Hearn had any right to impose his ideas on other licence holders of the British Boxing Board of Control.

"I believe there's going to be a meeting soon to discuss ideas," he said. "I'd like to hear what Dr Whiteman and John Morris have to say. I don't think Barry Hearn should make decisions for all of us."

"The ideas are good but not new. The IBF [International Boxing Federation] have similar safety measures."

Lawless wanted safety measures to be devised after consultation with the board's medical officers, Dr Adrian Whiteman and Dr Ossie Ross. He said: "Everybody has some ideas. Mickey Duff had a good idea of moving the bottom two ropes about a foot back, so that a boxer does not catch his head on the bottom ropes as he falls. I would like to be able to throw in the towel. I can't do that. Or at least have the towel or jump in if I want the fight to be stopped." The board meets on Wednesday to consider reports from its officials about the bout between Watson and Chris Eubank.

CRICKET

Logie earns vice-captaincy

Bridgetown — Gus Logie is to be vice-captain of West Indies in the first two tours of their 1991-2 programme but Viv Richards was not included in the squads. The opening batsman, Gordon Greenidge, was also overlooked for the Champions Trophy in Sharjah later this month and a one-day match in Toronto on November 2. Malcolm Marshall and Desmond Haynes were unavailable.

Richards has said he has played his last Test, although he is available for the World Series Cup in Australia later this year and the World Cup in Australia.

and New Zealand in February and March.

Logie, of Trinidad, rises to the vice-captaincy after giving start-up service as a middle-order batsman for over 52 Tests. Ian Bishop, the fast bowler, who missed West Indies' Test series against Australia and England with a back injury, is recalled.

Derek Murray, the former Test wicketkeeper, will manage the teams for the forthcoming one-day tournaments, as well as the World Cup. (Reuters)

Bishop, B P Patterson, W K M Benjamin, C A Walsh, A Curran, WEST INDIES XI (vs Rest of the World XI, Toronto: Richardson (capt), Logie, Simmons, Lambert, Hopper, Law, Arthurton, Dujon, Ambrose, Bishop, Patterson, Benjamin).

□ Sri Lanka have reappointed Aravinda de Silva as captain for the six-week tour of Pakistan, which starts on December 6, and the World Cup. The team to Pakistan will be managed by Dulsep Mendis, the former Test captain. (Reuters)

□ Paul Jarvis, who had considered leaving Yorkshire earlier this year, has signed a new three-year contract with the club.



Culture shocker: Blyth, left, puts the high seas aspirants through their paces on the assault course

How grit turned five into nine

By BARRY PICKTHALL

NINE employees found themselves wading up to their waists through bogs, and tackling an assault course blindfolded. The commitment and gritty determination displayed by all the finalists made it impossible for us to select five recruits to sail in the race, and in the end we've had to increase the number to nine," Blyth said.

The commando-style course, organised by Cygnus Business Development at the Frontier Centre in Northamptonshire, proved a culture shock for all. "I came down expecting to be

put up in a hotel, only to find I was sharing a garden shed with ten others." Keith Coxon, aged 31, said. Sleep, he found, was not in the itinerary. A 16-mile night exercise in teeming rain kept many occupied until dawn. A 6.30am two-mile run followed.

Sarah Brown, from Nuclear Electric's headquarters in Bristol, began the course suffering from gastric influenza and completed the night-long endurance test limping and in tears. "I'm perfectly all right," she said through clenched teeth.

The nine winners to go

forward for a nine-month programme of sail-training are: Keith Coxon, aged 31, from Hartlepool power station; Neil Stewart, (49), Wylla power station, Anglesey; Bill Mew, (37), Dungeness A power station; Barry Hill (40), Knutsford, Cheshire; Nick Marshall, (21), Oldbury power station, Avon; Peter Thomas (52), Nuclear Electric's headquarters in Bristol; Liz Macdonald (30), Gloucester; Nick Lupton (27), Hinkley Point A power station, Bridgewater, and Sue Salter (26), Marchwood Laboratories, Southampton.

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Law Report October 4 1991 Chancery Division

Choice of jurisdiction clause valid

Kurz v Stella Musical Veranstaltungs GmbH
Before Mr Justice Hoffmann
[Judgment July 26]

A non-exclusive choice of jurisdiction clause did not offend article 17 of the Brussels Convention on jurisdiction and the enforcement of judgments in Civil and commercial matters.

Mr Justice Hoffmann so held in the Chancery Division in dismissing a challenge by the defendant, Stella Musical Veranstaltungs GmbH, a company incorporated and resident in Germany, to an action brought by the plaintiff, Mr Friedrich Kurz, resident in England, and declaring the non-exclusive choice of English jurisdiction clause valid.

Mr Robert Hildyard for the plaintiff, Miss Barbara Dohmann, QC and Mr Tom Beazley for Stella.

MR JUSTICE HOFFMANN said the action arose out of a partnership between two German nationals, the plaintiff residing in England and a Mr Deyle living in Stuttgart. They entered into several joint venture agreements for the production of musicals in Germany, each venture being through the medium of a separate German company.

The musical "Starlight Express" was staged in Bochum by Stella. Finance was provided by the partners and outside investors were made concerning the production in return for a share in the net receipts from the production.

The terms of the investment were contained in a common form "subscription agreement" which was expressed to be governed by English law and contained a non-exclusive submission to the jurisdiction of the English courts.

Disputes later arose between the parties which led to litigation in Hamburg, and orders were made concerning the control of the joint venture companies by which Mr Deyle came into de facto control of the Stella company.

The disputes concerned, *inter alia*, monies claimed as due to the plaintiff in respect of the net receipts of "Starlight Express". For the plaintiff it was said that the court had jurisdiction under article 17 of the Brussels Convention because of the parties' submission to the non-exclusive jurisdiction of the English courts expressed in the subscription agreement.

The relevant parts of article 17 (numbered for convenience) were:

"(1) If the parties, one or more of whom is domiciled in a contracting state, have agreed that a court or the courts of a contracting state are to have jurisdiction to settle any disputes which have arisen in connection with a particular legal relationship, that court or those courts shall have exclusive jurisdiction.

"(2) Such an agreement conferring jurisdiction shall be either in writing or evidenced in writing, in international trade or commerce, in a form which accords with practices in that trade or commerce of which the parties are or ought to have been aware.

"(3) Where such an agreement is concluded, none of whom is domiciled in a contracting state, the courts of other contracting states shall have no jurisdiction over the parties unless the court or courts chosen have declined jurisdiction.

"(4) Agreements... conferring jurisdiction shall have no legal force if they are contrary to the provisions of articles 12 or 15 or if the courts whose jurisdiction they purport to confer have exclusive jurisdiction by virtue of article 16.

"(5) If an agreement conferring jurisdiction was concluded for the benefit of only one of the parties, that party shall retain the right to bring proceedings in any other court which has jurisdiction by virtue of this Convention."

In the present case, the conditions of the first sentence appeared to be satisfied. Both parties were domiciled in contracting states and they had agreed, with the formality required by the second sentence, that the courts of a contracting state, namely England, were to have jurisdiction over disputes arising out of the subscription agreement.

But it was said for the defendant that the jurisdiction of the English court was to be "non-exclusive", while the effect of article 17 was to make the jurisdiction of the chosen courts exclusive and that therefore, unless the court was willing to say that a jurisdiction expressly stated to be non-exclusive had by force of statute become exclusive, a non-exclusive choice would not qualify for validity under article 17 at all.

But that argument misinterpreted the meaning of article 17 when it said that the chosen or prorogated jurisdiction was to be exclusive. It did not mean "exclusive", that the parties were limited to choosing a single jurisdiction. It meant only that their choice, whatever it was, should, subject to the exceptions in the fifth sentence, have effect to the exclusion of the jurisdictions which would otherwise be imposed on the parties by the earlier articles of the Convention.

Once the parties had availed themselves of article 17 by the prescribed method, jurisdiction became a question of the intention of the parties.

But, subject always to the fifth sentence, the article did not limit their choice or the language in which it could be expressed. Nor did it prevent

them from including in their choice, expressly or by implication, courts which would otherwise have had jurisdiction under the Convention.

Jurisdiction thus conferred was still based exclusively on the intention of the parties rather than imposed by the general law and was therefore within the terms of article 17.

Although one of the objects of the Convention was to harmonise the jurisdiction rules of the contracting states, one could not discern a strong general policy in favour of having only a single jurisdiction available to the parties for any particular dispute.

There were many cases in which concurrent jurisdictions might exist under different articles and that possibility was expressly contemplated by article 24. There was of course such a policy in the exceptional cases mentioned in the fifth sentence, but outside of those, the desirability of a single jurisdiction would not seem to override the principle of freedom of contract.

Section 3(1) of the Civil Jurisdiction and Judgments Act 1982 said that the meaning and effect of the Convention should be determined in accordance with "the principles laid down by and any relevant decision of the European Court".

The leading case on article 17 was *Meeth v Glacetal* ([1978] 3 ECR 2133), where the court laid down important general principles. *Glacetal*, a French company, sold some insulation glass to Meeth, a German trader, to be delivered at Piesport in Germany.

The contract was expressed to be governed by German law and contained the following jurisdiction clause: "If Meeth sues Glacetal the French courts alone shall have jurisdiction. If Glacetal sues Meeth the German courts alone shall have jurisdiction."

As the court pointed out, the effect of that clause was, by virtue of article 2 of the Convention, exactly the same as if there had been no jurisdiction clause, except that it excluded the possibility of Meeth suing Glacetal in Germany in reliance on article 5(1) and the provision that Piesport was to be the place of performance.

The following question was put to the European Court: "Does the first paragraph of article 17 of the Convention permit an agreement under which two parties to a contract for sale, who are domiciled in different states, can be sued only in the courts of their respective states?"

The judgment of the court contained the following passage: "[T]he interpretation of the jurisdiction clause gives rise to difficulty because of the fact that article 17, as it is worded, refers to the choice by the parties to

YACHTING

Date is set for start of trials

By BARRY PICKTHALL

THE challenge trials for next year's America's Cup will commence off San Diego on January 25, even if the Soviet and Yugoslav syndicates fail to attend. This was the unanimous decision taken by all ten challengers meeting in San Tropez yesterday to decide the format and dates for the Californian competition.

The first round-robin series will carry one point for a win, building to four points in the second round commencing on February 13, and eight points for the final round-robin series starting on March 8.

The top four challenge yachts then go forward to race against each other a further three times in the semi-final round-robin, commencing on March 29, and the finals will be a best-of-seven series starting on April 20.

The eventual winner then goes forward to meet San Diego's chosen defender in another best-of-seven series for the Cup, starting on May 9.

Representatives from both the Soviet and Yugoslav challengers were present at the meeting, and hopes remain that both will make the start line. Oleg Larionov, president of the Offshore Racing Club of Leningrad, is confident that his group has the funds to complete its carbon boat presently under construction.

Bojan Butolen, who tore up the Yugoslav flag marking his place at the table, had greater reservations for his Croatian challenge, but hopes to get their wooden hull transported out of the country for completion either in Austria or Italy before the military situation gets any worse.

The syndicates from nine nations, who have a record 25 yachts sailing or under construction, all agreed they would not nominate their boats until the eve of the challenge trials, unless the cup trustees, meeting in San Diego on October 14, take the contentious view held by the defender that the challenging boats must be measured by December 20.

Stan Reid, the chairman of the challengers' group, admitted: "Relations with the ACOG [America's Cup Organising Committee] are still a little strained, but the challenges for the match are proceeding without problems."

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GOLF

Langer puts Ryder Cup loss to back of his mind

Stuttgart — Bernhard Langer, of Germany, kept looking on the bright side of life yesterday in the German Masters here while his Ryder Cup teammates, Nick Faldo and Seve Ballesteros, struggled to lift themselves after Kiawah Island.

The German missed the crucial putt to retain the cup but has accepted it as "history — something to be forgotten". He positively beamed throughout his press conference following an opening 68 to dispel the gloom which remained from the visits of Faldo and Ballesteros.

Both struggled to explain the Ryder Cup defeat. Faldo said: "My putting was far too clueless in America. I'm relieved I holed some today."

In turn, Ballesteros said he was having nightmares about the match. "I keep thinking 'why did we lose, we did lose?' Even during the round, I can't sleep nights," he said.

Despite the despondency, Faldo fired a five-under 67, including an eagle three at the long 7th, to finish a shot behind the joint leaders, Mats Lanner, of Sweden, and the Austrian Open winner last week, Mark Davis, of Thorndon Park, Essex. Ballesteros finished two behind, also taking three at the 7th after reaching the green with a five iron and holing out from 15 feet. Steve Richard-

son conjured up a two-birdie finish to join Faldo tied second with the Argentinian, Vicente Fernandez, and José Rivero, of Spain.

Apart from Sam Torrance, the rest of Europe's vanquished Ryder Cup contingent here — David Feherty (69), Paul Broadhurst (71), José-Maria Olazábal (71) — beat par. Torrance struggled to a 78, without a birdie. He said: "It's just that I've never felt so tired or demoralised in my life."

□ Cairns, Australia — The European tour leader, Corinne Dibnah, of Australia, and Meg Mallon, of the United States, will head the elite field of 16 for the Daijiku World Championship of Women's Golf.

Dibnah, leading the European money list after victories in the European Masters, La Manga Classic and the Italian Open, is Australia's sole representative in the three-round tournament beginning Friday.

The event will be played over the 6,358-yard, par-73 Paradise Palms Golf Course in the northern Queensland resort town of Cairns.

Mallon may find herself in a women's version of the Ryder Cup, attempting to prove that her second position on the Ladies Professional Golf Association tour will stand her well against Dibnah and other Europeans and Japanese in the event.



Cut and thrust: fencers Robbie Simeon (left) and Dave Brookfield sharpen up yesterday on the lawns of Bisham Abbey during the third of the autumn training camps

Women switch on to the feel of gold

By DAVID POWELL

ATHLETICS CORRESPONDENT

THE noticeboard in the athletes' lounge advertised "psychologist's happy hour", but the women's judo group spoke as if they needed no counselling in the essential sporting attribute of positive thinking. If it is gold medals you want from the Olympic Games, they were saying, you can depend on us.

At the last Olympics, in 1988, Britain won five gold medals, shared among five sports: swimming, rowing, hockey, yachting and shooting. But that was

without women's judo, then a demonstration sport. At the Barcelona Olympics next year, it is added to the medal count, progress which should do more for the column which denotes British gold than £180,000 that the British Olympic Association (BOA) is spending on four autumn training camps this year.

At the third of these camps, at Bisham Abbey yesterday, it was the turn of the women's judo squad to assemble. Lovetta Cusack, a Commonwealth gold medal winner, ran through a list of potential winners in the seven Olympic weight categories. Next

to every category was a British name. "They are all good enough to win a gold medal," Cusack said. "We should get at least four."

Just because women's judo will be new to the Olympics, it does not mean easy pickings. About 30 countries are expected to take part. What makes Britain so good? "The personalities of people in it," Cusack said. "That is why we are here — we are determined to be champions."

Arthur Mapp, the British men's team manager, knows what his squad are up against. "The women are very strong and determined to do better than us

because it is their first Olympics," he said.

The camps cover all aspects of Olympic preparation and, in so doing, are trying to perform an illusionist's trick. The International Olympic Committee (IOC) wants to restrict the number of competitors and officials at the Games to 15,000 and when the BOA announced in November it was setting minimum standards for selection it must have been music to IOC ears.

"We must have some kind of quality control," Dick Palmer, the BOA secretary, said then. But, as Kevin Hickey, the

director of the training camps, said yesterday, the aim of his get-togethers is to keep the numbers up by raising standards.

In some sports the international federation sets qualifying standards; in those sports where no qualifying standard exists, the BOA has set its own. All Olympic angles are covered at the camps: training, treatment, psychology, even classes in how to react to the media.

Yesterday, fencers, athletes, weightlifters and competitors at several other sports went through their routines for the media.

Graham Brookhouse, a modern pentathlete bronze medal winner from Seoul in 1988, said the practice sessions for Olympic village life helped mental well-being. "The more pictures you see of Everest, or the more people you talk to who have climbed it, the easier it will be for you to conquer it," he said. His own expedition is proving expensive. From one Olympics to the next, his devotion will have burned a £20,000 hole in his pocket. But Brookhouse measures wealth not by cash but by the medals he wins. He may return from Barcelona a good deal richer than when he left.

FRIST ROUND (GB and Ireland standstill; 68: M Langer (Swi), M Deane (Eng), J Richardson, J Faldo, J Rivero (Spa), V Fernandez (Arg), 69: P Senior (Aus), S Langer (Ger), J Van der Vaart (Hol), S Ballesteros (Spa), T Gough (Ger), D Feherty (Ire), S Lane, P Broadhurst (Eng), P Cury, C Mason, M Janner (Spa), FJ Johnson (Swi), P Mather, M Ballesteros, T S Ballesteros (Spa), A Gledhill (Can), J M Hurrend (Aus), J M O'Connell (Spa), P Broadhurst (Aus), 72: P Wey, H Hines (Aus), H Clark, D Milovic (Can), J Ryeom (Swi), G Brand, J F Nickles (NZ), M Martin (Spa), J Pendergast (Ire), T Charnley, P McIlveney (Aus), D Durkin, 73: D Cooper, M Miller, S Bennett, K Walters, T Gledhill (Can), G Turner, D Russell, M

HOCKEY

Britain rue their penalty luck

By a CORRESPONDENT

A MISSED penalty and one that never was led to Great Britain being defeated 1-0 by a weakened Australian side in the first of three women's internationals, at the State Hockey Centre in Melbourne yesterday.

Britain were denied a penalty in the seventh minute when Karen Brown, after good support from Jane Sixsmith, was upended in a scoring position. Three minutes from half-time, Vickie Dixon made an important goalkeeping save, but just after the break a similar error was ruled a foul and Juliette Haslam converted for Australia from the spot.

After Sandy Lister, the England captain, had replaced Brown in the 49th minute, Britain's sustained attack forced a penalty when Sixsmith was taken out of play by the Australian goalkeeper. But Kath John-

son shot wide of the left-hand post.

Leicester have become draw specialists while remaining unbeaten in the Typhoo national league for two seasons, but with Mary Nevill and Kath Johnson in Australia, even a draw might be a bonus when they host Cheltenham tomorrow.

Slough, handicapped when losing to Sutton Coldfield last week by the absence of Karen Brown, their international, will not want to lose further ground against Wimbledon tomorrow. Sherwood, meanwhile, will not welcome the visit of a Sutton Coldfield side strengthened by Lynda Watkin and Fiona MacCarthy, the Welsh international.

Close contests are expected between Ipswich and Clifton at Ipswich, and Hightown and Ealing at Liverpool.

Sports converge under one roof

By DENNIS SHAW

BIRMINGHAM'S futuristic £51 million National Indoor Arena (NIA) tonight officially opens its doors to the public and its facilities are an almost limitless range of sports which have previously never experienced such luxury.

Leading the world in the provision of well-equipped, multi-purpose venues has not been Britain's strong suit in the past, but the early responses to the NIA suggest that a new international perspective has arrived.

When the various bodies concerned first adopted the idea to create an indoor stadium *par excellence*, the rationale for doing so was in the global championships it could attract. To do so it had to be as good or better than any such arena elsewhere.

Spacious facilities for every conceivable activity had to be created, along with the provision of state-of-the-art communications requirements, public comfort, massive parking space and convenient access.

This weekend's flag-waving Coca-Cola Festival of Sport, opened by Linford Christie and featuring a range of events including classical gymnastics tonight, will demonstrate to early participants, officials, spectators and media that these objects have been achieved.

More significantly, a timetable of events is already taking shape which includes the staging of five world championships.

These are the competition climbing World Cup final (December 1991), powerlifting (1992), gymnastics and badminton (1993), and netball (1995).

"We need the UK as well as the local citizens to turn out and show promoters and governing bodies of the various sports that we can deliver a full arena," Bob Praty, the venue's events manager, said. "Many existing alternatives are much smaller than this new arena."

Versatility is one of the venue's many qualities, with 30 sports specifically on its agenda. Viewing areas cater for 8,000 (athletics), 10,000 (tennis) and up to 13,000 for boxing.

The UK's first demountable, six-lane, 200 metres running track can be wound in or out. When the track is stored away the floor area is 100 metres by 61 metres, with 19 metres clear headroom, while a portable mat allows for all required events on ice. To well justify the Sports Council's £3 million grant and its Sport for All motto, a community sports hall has been included.

During the period to March, the NIA will present such diverse attractions as *Aida*, the Great Moscow circus, Walt Disney's world on ice, the AAA championships, and indoor football tennis. There is also, as part of the weekend's flag-waving, the trampolining World Cup and WWF European ramp wrestling, which is a sellout.

MOVES by senior British athletics officials to condense the 1994 Commonwealth Games programme into four days will be fiercely opposed by their counterparts in Canada, which is staging the Games.

Athletics Canada is adamant that the uncomfortable proximity of the Victoria Commonwealth Games with the European championships is insufficient reason for change.

The two championships are separated by only four days, the European event ending on August 14 and the Commonwealth one opening on August 18. The recent decision to make the world championships biennial has served only to increase the likelihood of many leading athletes missing the Commonwealth Games.

While they are competing in championships, they are neither

earning nor resting and, so soon after the European, the best of them will be wanting to do one or the other.

"We are suggesting they concentrate the programme other wise you are going to lose the best British athletes," Marea Hartman, the British Athletic Federation (BAF) chairman, said at a reception given in London this week by the Victoria Commonwealth Games Society.

Hartman and Mike Farrell, the BAF secretary, put the proposal to David Dixon, the Commonwealth Games Federation secretary, who "passed on their views."

Frank Dick, Britain's director of coaching, believes that the strain on the middle and long-distance event athletes will be too great. "The home countries should look seriously at making a policy decision to send our

second tier athletes from 800 metres upwards," Dick said.

However, Ken Porter, a director of Athletics Canada, said of a four-day programme: "We are irrevocably opposed to it and we have the backing of our Commonwealth Games Association here and of our organising committee, and we are seeking to ensure that other Commonwealth countries back our position."

"The thought of condensing what is already the smallest programme in international games track and field to four days from six is beyond consideration."

"The number in athletics is growing with not only the inclusion of more events, but the women but with the growth of the Commonwealth. The pressure on the schedule is great."

A condensed programme would prevent athletes from

doubleing, Porter said. "England, Canada and Australia may be able to dig into the reserves and get good replacements, but it will be difficult for the small countries to do that."

"Shrinking it from six days to four is no guarantee that those same athletes would want to compete anyway. We do not see why the event should be compromised, why the organising committee should lose two days of revenue at the gate, why a worldwide television audience should be denied two days of the premier sport at the Games and why small countries should be disadvantaged because of their inability to double."

The Commonwealth Games Federation has the final say on any proposal, but that first has to come from the local organising committee. The issue could drag on well into next year.

Canada resists shorter Games

By DAVID POWELL

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Cram lets \$1m slip by six seconds

Jakarta — Steve Cram won a race billed as "the million dollar mile" yesterday but failed to achieve instant millionaire status by breaking his own world record.

He overcame a floodlight failure and the challenge of the Kenyan Olympic 1,500 metres champion, Peter Rono, to win the race, atoning partly for his failure at the world championships in Tokyo in August.

But the 30-year-old Briton's time of 3min 52.11sec was far outside his six-year-old world mark of 3min 46.33sec, despite the screams of young cheerleaders urging him on. Rono was second in 3min 52.64sec with the Australian, Simon Doyle, six seconds further back.

Cram ran a well-judged race in which he let the Kenyan, William Tanni, and his British colleague, Peter Elliott, set the

initial pace. He fought for the lead with Rono at the last bend after Elliott crashed to the ground with an ankle injury.

Another disappointed athlete was the world 1,500 metres record holder, Said Aouita, of Morocco. He finished eighth in the field of 11 in 4min 04.91sec.

The world long jump and pole vault record holders, Mike Powell, United States, and Sergey

Bubka, Soviet Union, gave exhibition jumps. Powell's best of 7.88 metres was way off his 8.95 metres world mark. Bubka cleared 5.70 metres and after setting the bar at 6.11, a centimetre above his own record, decided against attempting it. (Reuters)

RESULT: 1. S Cram (GB), 3min 52.11sec; 2. P Rono (Ken), 3min 52.64sec; 3. S Doyle (Aus), 3min 58.46sec; 4. J P Powell (USA), 4min 04.91sec; 5. J Aouita (Mor), 4min 04.91sec; 6. S Tanni (GB), 4min 04.91sec; 7. P Elliott (GB), 4min 04.91sec; 8. S Aouita (Mor), 4min 04.91sec; 9. S Doyle (Aus), 4min 04.91sec; 10. S Cram (GB), 4min 04.91sec; 11. S Aouita (Mor), 4min 04.91sec.

ICE HOCKEY

Panthers better equipped for honours this season

By NORMAN DE MESQUITA

THE preliminary skirmishes are over and the main event of the season, the Heineken League, starts this weekend.

Durham Wasps move everything last season, but they have lost some of their more experienced youngsters and this could prove a handicap. They have taken advantage of the latest change in the import regulations and have signed an additional defenceman, which will take much of the load off Mike O'Connor.

Similarly, Nottingham Panthers have acquired Chris Keland and that will allow Terry Kirtland to get some well-earned rest. With their youngsters a year older and more experienced and with the explosive scoring of Dan Dorion to add to Paul Adey's skills, the Panthers could be the team to beat this season.

Cardiff Devils can never be left out of the reckoning. With basically the same team as last year, but with a local forward, Nicky Chinn, having spent some time in Calgary Flames' training camp, and other locally-trained players ready to move up to the Devils, it could be an exciting year in Cardiff.



Hand: back with Racers

Murrayfield Racers struggled for the first six games of the season, but they were without Tony Hand and his return last weekend made all the difference. If their new import, Sylvain Naud, comes up to expectations, the Racers could also be a team to watch.

The demise of Solihull Barons is sad and it is difficult to see Billingham Bombers, who have replaced them, making much of an impact in the premier division.

But the newly promoted Humberdale Seahawks should more than hold their own and Whitley Warriors, with the former Great Britain coach, Terry Matthews, in charge once again, should have a better season.

In the first division, it seems unnecessary to look beyond Fife Flyers. All the mistakes that were made last season and which saw them relegated for the first time, seem to have been rectified. Brian Kanewischer has a proven record as a coach, they have quality imports as well as many talented youngsters and it will be a surprise if they do not dominate the division.

Their main challengers will probably be Basingstoke Beavers, Swindon Wildcats and Milton Keynes Kings, whose first season this is in the division but whose experienced coach, Mike Strain, will ensure that their players will perform to the very best of their capabilities.

NON-LEAGUE FOOTBALL

VS Rugby continue their rapid progress

By WALTER GAMMIE

VS RUGBY, leaders of the Beazer Homes League premier division, head for Poole tomorrow fortified by a 3-0 victory over Grestley Rovers, last season's FA Vase finalists, in an FA Cup qualifying round replay at their Butlin Road ground on Wednesday night.

Rugby, who had played for 25 minutes with ten men, had been relieved to earn the replay when Mark Boydland scored in injury time of last Saturday's match to win it 3-3.

Grestley, the Bank's West Midlands League champions, have been stalled in their pursuit of a Beazer Homes League place because of problems with their Moat Ground, but proved their ability by having the better of the first half on Wednesday.

Two goals by Mark Rosegreen and one by Ian Crawley, who came on to replace him, enabled Rugby to stamp their class with high quality football.

Crawley's goal marked a return to colours for a club folk hero after a hernia operation. Crawley scored the lone goal in VS Rugby's FA Vase final victory over Halesowen Town in 1983. He also scored Telford's winner in the 1-0 victory over Macclesfield in the 1989 FA Trophy final. Crawley, however,

finished Wednesday's match prostrate on the pitch. He was taken off the field by ambulance but later released from hospital, having suffered from concussion. Despite the injury jinx, VS Rugby are in good health, under Jimmy Knox, in his seventh season as their manager, whose brother, Archie, is now with Rangers.

The ground is nearing GM Vauxhall Conference standard and the new chairman, Roy Callimore, this week submitted plans for a new clubhouse to the local council. It is a far cry from 1973 when VS moved in to take over a council allotment and had to entice youngsters to clear spaces off the pitch with payments of Mars bars.

Nevertheless, VS Rugby place a premium on continued success. The town's rugby club, the Lions, has advanced rapidly to reach the Courage Clubs' Championship first division and form a powerful counter-attraction.

The statistics proclaim the growth of interest in both VS Rugby and Grestley. Crowds of 774 on Saturday and 707 on Wednesday exceeded the combined total of 15 previous meetings between the clubs between 1975 and 1983.

MOTOR SPORT

Jaguar on line for a third championship

Mexico City — Jaguar should clinch the world sportscar championship for a third time on Sunday, despite the resurgence of Peugeot, their French rivals. Three points separate the British team from the title and eighth place in Mexico will be sufficient.

Altitude — the Mexican circuit stands 2,000 metres above sea level — will be debilitating to both drivers and normally-aspirated cars. Drivers tire faster and cars lose power.

Derek Warwick, the Briton attempting to wrest the drivers' crown from his own Jaguar colleague, Teo Fabi, of Italy, who leads him by 16 points, said: "No matter how fit you are, you notice the altitude."

Peugeot gained first and second places in the last round at Magny Cours, their second victory this season. Jaguar and Mercedes were plagued by problems. David Brabham, of Australia, first on his sponsor's debut at the Nurburgring in August, again shares both Jaguars with Warwick and Fabi.

Derek Bell, of Britain, has been called up by Joest Racing as the Porsche team, whose turbocharged engines are unaffected by altitude, sees a chance to challenge the factory cars. (Reuters)

RUGBY LEAGUE

Wigan's success adds to need for changes

By KEITH MACKLIN

BRITISH and Australian officials will meet to discuss possible new formats for the World Club Challenge matches after Wigan's 21-4 win over Featherstone Panthers at Anfield on Wednesday night.

This third challenge match attracted an attendance of 20,000 and produced a full-blooded battle in a highly charged atmosphere. However, there are still question-marks against the event, with the principal bughouse the fact that on each of the three occasions the Australian champions have had to make the long journey to Britain at the end of their own punishing season. While nothing can be taken away from excellent British performances by Wigan and Widnes, as Australians seeking for excuses can point to these drawbacks as reasons for failure.

David Howes, the public affairs executive of the Rugby Football League, said yesterday: "The concept of the World Club Challenge has now been proved three times, with big attendances and powerful atmospheres each time. However, we must look for a more practical format which will satisfy everyone and overcome Australian misgivings."

Howes said that the future of rugby league, as with other spectator sports, rested with higher profile in international competition, and the World Club Challenge was an integral part of that policy. Financially, it was an outstanding success, with income of £250,000 generated at the gate, and in television and sponsorship money.

"We will shortly get round a table with senior Australian officials to look at other options, like playing the challenge on a two-leg basis, as in football's European Cup, or by switching home venue in alternate years."

Reflecting on the gate, Howes said: "The attendance of 20,000 was below the two attendances of 37,000 at Central Park and 31,000 at Old Trafford, but it was still highly satisfactory under the special circumstances. The fact that the match was played at Liverpool on the west coast, rather than the more central Old Trafford, the original choice, meant that many thousands of Yorkshire supporters did not travel. In addition, it was a big night of European Cup football, live on television, which effectively wiped out all but committed rugby league supporters."

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